AN INTEGRATED APPROACH TO EXPLORING CROSS-CULTURAL COMPETENCE: EMPIRICAL EVIDENCE FROM EXPATRIATES OF CHINESE MNES

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LIST OF ACRONYMS

CCC	Cross-cultural Competence
DV	Dependent Variable
FDI	Foreign Direct Investment
HCNs	Host Country Nationals
HRM	Human Resource Management
IB	International Business
IHRM	International Human Resource Management
IJVs	International Joint Ventures
MNEs	Multinational Enterprises
PCNs	Parent Country Nationals
POEs	Privately-owned Enterprises
RQ	Research Question
PRC	People's Republic of China
SCERH	Standing Committee for Ethical Research on Humans
SOEs	State-owned Enterprises
TCNs	Third Country Nationals
UK	United Kingdom
US	United States
WTO	World Trade Organization

ABSTRACT

With the emergence of multinational enterprises (MNEs) from the People's Republic of China, Chinese expatriates are increasingly being posted overseas to manage international assignments. It has been reported that expatriates often face significant challenges in understanding the host culture, which negatively impact on their performance overseas. Thus the importance of cross-cultural competence (CCC) has been emphasized as it may assist expatriates to successfully manage the local workforce. The theoretical underpinnings of CCC are socio-analytic theory and social learning theory. Socio-analytic theory explains the role personality plays in leading to discrepant performance on international assignments, whilst social learning theory emphasizes the role of learning in developing cross-cultural skills. However, both theories are developed from a developed country context, and the transferability of those theories to emerging markets has not been examined. In order to address the theoretical deficiencies of CCC, this study explores expatriates from a large and significant emerging economy, namely, China. The broad research problem addressed is "how to develop CCC of Chinese expatriate managers in Chinese MNEs' overseas operations".

In particular, this study investigates antecedents of CCC including personal attributes (Research question 1a) and personal skills (Research question 2a), as well as how these antecedents contribute to CCC (Research question 1b, 2b). A qualitative research design was adopted due to the exploratory nature of the study, and 50 in-depth interviews were conducted to gather information. The sample comprised 25 Chinese expatriate managers, 15 foreign colleagues, and 10 expatriate supervisors or cross-cultural consultants. The respondents selected were based on criteria for each group. For instance, the criteria for

expatriate managers include working experience (i.e., working on overseas assignments for at least six months) and location (i.e., working in both developed and developing countries). The snowballing techniques were used to recruit appropriate respondents.

The findings of this study lead to the development of a theoretical model of CCC, which highlights the cultural-embedded factors as important antecedents. In addition to confirming CCC antecedents of Chinese expatriates that are similar to those for Western expatriates (i.e., openness, communication skills, interpersonal skills, perceptual skills), two new cultural-embedded factors were also identified, including endurance and coordination skills. More importantly, the findings demonstrate that cross-cultural contexts play an important role in how certain antecedents function in different situations. A range of institutional factors have been identified which are able to influence perceptions of expatriates and local employees on CCC antecedents, including ambiguous or sophisticated regulation systems, relationship-based or rule-based corporate governance, supervisor-subordinate relationships and work-life relationships. This study advances the theoretical development of CCC by integrating institutional theory with socio-analytic theory and social learning theory, which leads to a more comprehensive explanation of CCC. It also highlights significant methodological and practical implications for future expatriate studies and international human resource management in Chinese MNEs.

STATEMENT OF AUTHORSHIP

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university or other institution. To the best of my knowledge, the thesis contains no material previously published or written by another person, except where due reference is made in the text of the thesis.

Signed: ....

Dan Wang

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CHAPTER 1 INTRODUCTION

1.1   Chapter Objectives

This chapter offers an overview of the study that aims to explore cross-cultural competence (CCC) of Chinese expatriate managers in the overseas operations of Chinese multinational enterprises (MNEs). This introductory chapter offers an overview of the current study. The objectives of the chapter are threefold. First, it is to provide a background for the thesis, including the rationale and significance of the study, and its research objectives. Second, it is to present research questions identified from the literature review and to provide a summary of research methodology adopted by this study. Finally, it is to outline the structure of the thesis and clarify the organization of its eight chapters.

1.2   Rationale for the Study

Over the last two decades, the rise of MNEs from emerging markets has generated increasing interest among international business (IB) scholars, practitioners and policy makers (Chang, 2011; da Silva, da Rocha, & Carneiro, 2009; Luo, 2007a). Although some studies have investigated this new development, there is still a significant gap in academic literature on the dynamics, processes and challenges associated with the development of emerging market MNEs (Liang & Ren, 2010; Luo, 2007a; Vargas-Hernández & Noruzi, 2010). Chinese MNEs are playing an increasingly important role in foreign direct investment (FDI) as the People's Republic of China (PRC or China)

grows to be one of the top five investors in the world and the most important source of FDI among emerging markets according to annual FDI outflows in 2009 (Ministry of Commerce of China, 2010). Nearly 13,000 overseas operations have been established by around 10,000 Chinese firms, dispersed in 177 countries/regions across the world (National Bureau of China, 2010). Despite the significant fall in international trade as a result of the global financial crisis in 2008, Chinese FDI is continuing to increase and the overseas expansion continues to be a high priority for Chinese companies under the government's 'going global' policy (Ministry of Commerce of China, 2010).

A number of studies have investigated the drivers of Chinese outward investment (Deng, 2009; Morck, Yeung, & Zhao, 2008), the determinants of Chinese FDI (Buckley et al., 2007; Parmentola, 2011), as well as the entry mode choices of Chinese firms in their outward expansion (Luo & Rui, 2009). However, a gap remains in the literature regarding the post-entry challenges facing Chinese MNEs, especially how to manage foreign workforce and overseas operations after entering foreign markets (Feng & Mu, 2010; Wood & Mansour, 2010). It is notable that Chinese MNEs have encountered considerable challenges in overseas management, mainly due to the shortage of suitable managers to compete successfully in a global economy with competencies to manage cross-cultural operations (Feng & Mu, 2010; He & Lyles, 2008; Tung, 2007b). A survey of Chinese MNEs, for example, indicated that 'suitable human resources with CCC' posed the most significant barrier to Chinese FDI (Beebe, Hew, & Liu, 2006). Similarly, in a study of 150 Chinese companies operating abroad, Battat and Aykut (2005) found that over one-half of Chinese expatriate managers 'have faced important or very

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important challenges in understanding the host country's culture'(p.4). Yet to date, theoretical and empirical investigations on CCC of Chinese expatriate managers are very limited (Wood & Mansour, 2010).

The term of CCC describes an individual's ability to function effectively in another culture (Bird, Mendenhall, Stevens, & Oddou, 2010). In expatriation literature, CCC has been examined using expatriate groups from advanced market economies such as the US and Japan (Downes, Varner, & Hemmasi, 2010; Kim & Slocum, 2008; Shaffer, Harrison, Gregersen, Black, & Ferzandi, 2006; Templer, 2010). Although an initial conceptual model of CCC has been established (Johnson, Lenartowicz, & Apud, 2006), several gaps still remain in this area. First, little research has been conducted to examine the transferability and applicability of the CCC framework developed from Western countries to the emerging market context (Johnson et al., 2006). In the early 1990s, because of the widespread liberalization and adoption of market-based policies by some less developed countries, the term emerging markets was given to a specific group of those countries, which satisfy the following three characteristics: First, a rapid-growing national economy; Second, significant structural transformation in economic system and industries; Third, active engagement in the world economy despite volatile and weak legal systems (Hoskisson, Eden, Lau, & Wright, 2000; Luo & Tung, 2007; Meyer, 2004). Emerging markets are still countries with middle or low income (Hoskisson et al., 2000; Meyer, 2004), however, such countries are considered to be in a transition phase between developing and developed status. Second, the theoretical underpinnings in the CCC literature (i.e., socio-analytic theory) are mainly developed from domestic contexts

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(Bandura, 2002; Hogan & Holland, 2003) and may not be useful explanations of the workplace behaviours in cross-cultural contexts. Finally, there are still theoretical gaps in terms of how certain antecedents contribute to CCC, noted by Johnson et al. (2006) as a gap between "knowing" and "doing".

In the case of Chinese expatriates, the academic literature on CCC for successful overseas management is almost a blank (Wood & Mansour, 2010). Very limited studies have examined Chinese expatriates' selection and training (Shen & Darby, 2006), family support (Selmer, Ling, Shiu, & Leon, 2003) and adjustment (Wood & Mansour, 2010). There is a significant gap regarding the antecedents and development of CCC from the perspectives of Chinese expatriates. In order to have a contextualized understanding of CCC in the Chinese context, indigenous Chinese personalities (Wong, Graham, & David, 2010) and Chinese managerial skills (Chen & Kao, 2009) were reviewed by this study and incorporated into the CCC framework. The insufficient integration of the Chinese indigenous management theories (i.e., paternalistic leadership theory) with the mainstream CCC literature has highlighted a necessity to adopt an integrated approach to examine CCC with context-embedded elements and antecedents of CCC. As Chinese managers' behaviours are deeply embedded in indigenous Chinese managerial practices (Wang, 2011), the investigation of CCC from the Chinese perspective provides a different context to refine and build theories in the area of CCC developed from advanced market MNEs.

1.3 Research Problem and Questions

The study investigates antecedents of CCC (i.e., personal attributes, personal skills), and development of CCC using an integrated approach by integrating different theoretical perspectives (i.e., socio-analytic theory, social learning theory, and institutional theory) to explain CCC from the perspective of an emerging market context.

In order to address the research gaps in the CCC literature, this study seeks to understand what antecedents contribute to CCC of Chinese expatriates, and how those antecedents contribute to CCC. As such, the broad research problem listed below offers an overarching framework to guide this study:

How do Chinese expatriates develop cross-cultural competence for successful overseas management in Chinese MNEs' outward investment activities?

Specific research questions to address the broad research problem have also been identified based on a critical and thorough literature review in Chapters Two and Three. The research questions focus on investigation and theorizing of two sets of antecedents that lead to CCC development, namely personal attributes and personal skills. Specific factors within these two categories of antecedents are examined and the cross-cultural situations in which those antecedents function are also explored.

The theoretical reasoning to support the conceptual framework of CCC and the subsequent research questions in this study are socio-analytic theory (Hogan, 1996; Hogan & Shelton, 1998) and social learning theory (Bandura, 2001, 2002). Socio-analytic theory contributes to our understanding of the complex relationships between individual attributes and workplace behaviours. This theory suggests that possessing certain internal values and personality traits will affect how well an individual is suited for a given role (Hogan, 1996). In the context of international assignments, the theory indicates that expatriates who possess important attributes would be better performers on the assignments (Caligiuri, 2000a). Subsequently, empirical studies have examined the Big Five personality traits (Conscientiousness, Openness, Agreeableness, Emotional stability, and Extroversion) (e.g., Huang, Chi, & Lawler, 2005; Peltokorpi, 2008; Shaffer et al., 2006), expatriates' prior international experiences (Jokinen, Brewster, & Suutari, 2008), and their demographic characteristics (e.g., age, gender) (Selmer, Ebrahimi, & Mingtao, 2000c) in association with their cross-culturally adjustment and effectiveness. However, inconsistent results were provided in terms of the significant attributes that could contribute to CCC. Thus, this area of study still warrants further research to refine the application of socio-analytic theory into cross-cultural contexts. A more detailed discussion of socio-analytic theory and its application in the expatriation literature is presented in Chapter Two.

Social learning theory provides insights into the skill developmental process of individuals in a different environment/culture (Bandura, 1977; Bandura, 2002). This theory adopts an experiential learning perspective which suggests that managers learn

from cross-cultural experiences and develop their skills gradually (Kolb & Fry, 1975; Yamazaki & Kayes, 2004). In the context of expatriate studies, scholars identified four major skill clusters that are essential for successful cross-cultural management, which are stress-management skills, interpersonal skills, perceptual skills and communication skills (Black & Mendenhall, 1990; Templer, 2010; Yamazaki, 2010; Yamazaki & Kayes, 2004). It is evident that most of the studies were undertaken based on expatriates from developed countries, and it is still not clear in the literature whether or not those skill clusters can be applied to expatriates from very different institutional environments, such as China. It is likely that the very different nature of the Chinese context would influence the skill development of Chinese expatriates in another culture (Chen & Kao, 2009), and the role of home and host institutional factors has not been well examined in the extant expatriation literature (Bjorkman, Fey, & Park, 2007; Wood & Mansour, 2010).

In order to advance theoretical development in the area of CCC, the research questions (RQ) raised for this study are listed as follows:

RQ1: What personal attributes contribute to the CCC of Chinese expatriate managers?

RQ1a: From the perspective of Chinese expatriate managers, what personal attributes are antecedents of CCC?

RQ1b: How do those attributes contribute to CCC in Chinese expatriates' cross-cultural management in overseas subsidiaries?

RQ2: What personal skills contribute to the CCC of Chinese expatriate managers?

RQ2a: From the perspective of Chinese expatriate managers, what personal skills are antecedents of CCC?

RQ2b: How do those skills contribute to CCC in Chinese expatriates' cross-cultural management in overseas subsidiaries?

1.4 Research Objectives

This study has four research objectives to address the research problem and research questions listed above. The first objective is to enhance the understanding of expatriate management in Chinese MNEs by offering qualitative evidence of expatriates' overseas managerial activities, focusing on the development of CCC among Chinese expatriates. The second is to contribute to the CCC literature by exploring antecedents of CCC and the function of antecedents in various cross-cultural situations, using a theory-building approach to refine socio-analytic theory and social learning theory into cross-cultural contexts. Third, this study will refine the conceptual model of CCC by identifying context-embedded elements as antecedents, and highlighting possible influences of specific home and host institutional factors on CCC. Finally, this study has significant

methodological contributions to the area of international human resource management and important implications for managing expatriate managers in emerging market MNEs.

1.5   Research Methodology

This study adopted a qualitative research design conducted through in-depth interviews, detailed in Chapter Four. As this study intends to provide insights into an under-researched expatriate group (i.e., Chinese expatriates) and to extend existing CCC theories to an emerging market context, it is exploratory in nature as very limited knowledge has been provided by previous research on this topic (Wood & Mansour, 2010). Scholars (Creswell, 2009; Yin, 2009) suggest that a qualitative approach is particularly suitable for exploratory studies with a purpose of theory building and refining. Specifically, an abductive approach is followed (Dubois & Gadde, 2002) in the data collection and analysis process, with the purpose to ultimately link empirical evidence with theory, thereby refining and rebuilding existing conceptual models and theoretical perspectives.

In-depth interviews were used to collect data from multiple levels in Chinese MNEs. According to Fischer and Reuber (2003), interviewing different groups of interviewees provides a more complete and holistic view on the topic under investigation, and Spector (2006) argues that multiple sources of data enhance validity and reliability of the study through triangulation of findings. Therefore, the sample in this study consists

of three groups of informants, including Chinese expatriate managers, foreign colleagues, and other related people such as expatriate supervisors and cross-cultural consultants. Using criterion sampling and snowball sampling techniques (Sekaran, 2003), fifty respondents were selected and interviewed including twenty-five Chinese expatriates, fifteen foreign colleagues, and ten expatriate supervisors or cross-cultural consultants. The interviews were semi-structured and in-depth which allowed respondents to reflect on their own perceptions and experiences. Interview data were analysed with assistance of Nvivo8 using pattern matching and explanation building techniques following the suggestions of many scholars (Freeman & Cavusgil, 2007; Yin, 2009). Details of the research method adopted for this study are presented in Chapter Four.

1.6   Significance of the Study

Given the rapid growth of FDI from Chinese MNEs, and the cross-cultural challenges faced by Chinese expatriates (Tung, 2007b), the investigation of CCC of Chinese expatriates is a timely issue that must be addressed by academic literature. This study is significant not only in terms of its managerial implications, but also in terms of its theoretical and methodological contributions.

1.6.1   Managerial Significance

The escalation of FDI from Chinese MNEs has resulted in greater involvement of expatriate managers working on international assignments in various host locations

(Wood & Mansour, 2010). Although the trend of using expatriates in advanced market MNEs is declining after several decades of business development on a global stage (Collings, McDonnell, Gunnigle, & Lavelle, 2010), it is evident that Chinese MNEs are still highly dependent on expatriates to manage overseas operations (Shen & Edwards, 2006). According to Shen and Edwards (2006), Chinese MNEs tend to send expatriates to manage overseas subsidiaries. An examination of Chinese MNEs suggest that more than 70% of senior executive positions are occupied by Chinese expatriates, and half of the middle managerial positions are also filled with Chinese indigenous managers sent by the headquarters (Zhang, 2003). The reasons for using expatriates were identified as: enabling control, implementing business strategy of the parent company, communicating between headquarters and subsidiaries, trouble shooting, conducting market research and gaining international experience (Shen & Edwards, 2006).

However, scholars (Feng & Mu, 2010; Morck et al., 2008; Tung, 2007b) point out that Chinese expatriates have encountered considerable challenges in their cross-cultural management, which exposed Chinese MNEs to high failure rates in their overseas investments. He and Lyles (2008) noted that difficulties in managing a cross-cultural workforce posed the most significant challenge for Chinese MNEs. Yet, Chinese MNEs have provided very limited training to expatriates and their spouses, as headquarters usually assume that managers who are effective at home would be effective abroad (Shen & Darby, 2006). As Chinese managerial practices are deeply embedded in the Chinese institutional context, it would be difficult for those managers to directly transfer their managerial experiences to other countries especially those in the West (Chen &

Kao, 2009). Therefore, studies on CCC of Chinese expatriates are particularly needed not only to assist Chinese expatriates to become competent global managers, but also to help Chinese MNEs select and train their expatriates and establish a valuable human resource pool for overseas operations.

The findings of this study will allow a better understanding of CCC from the perspective of Chinese expatriate managers, including the antecedents of CCC and the function of antecedents in various cross-cultural situations. This will be of value to both Chinese managers currently working on international assignments and their foreign employees in subsidiaries of Chinese MNEs. For Chinese expatriate managers, this study will assist their understanding of the useful personal attributes and personal skills that could enhance their competences in managing host country workforces and cross-cultural workplaces. In the case of foreign employees, this study may help them understand the expectations and behaviours of Chinese managers and reduce cross-cultural conflicts in subsidiaries. Furthermore, this study will also help Chinese MNEs select the most suitable expatriates with desired personality traits and provide appropriate training for expatriates in context-specific knowledge and skills.

1.6.2 Theoretical Significance

This study makes significant contributions to expatriate literature as well as IB literature, which has profound implications for management researchers. First, the CCC literature has focused predominately on expatriates from developed country MNEs (Downes et al.,

2010; Johnson et al., 2006; Seak & Enderwick, 2008; Shaffer et al., 2006; Templer, 2010), while little is known about the CCC development of expatriates from emerging market MNEs (Wood & Mansour, 2010). By exploring CCC from the perspective of Chinese expatriate managers, this study contributes to expatriate literature not only by investigating the transferability of the CCC theoretical framework developed from Western countries to an emerging market context, but also by identifying new constructs of CCC that are embedded in the indigenous institutional contexts of emerging markets. The contextualized understanding of CCC advances theory development by providing new insights to antecedents and development of CCC from a Chinese perspective. It extends and refines previous theories in the area of CCC (i.e., socio-analytic theory, social learning theory) to emerging market context.

Second, in dealing with the complex nature of CCC, it is recognized a single theoretical perspective would be unlikely to provide a full explanation of empirical evidence. Particularly, as stated previously, socio-analytic theory which underpins CCC was developed from domestic contexts (Hogan & Roberts, 2000) and may not be suitable to transfer directly to cross-cultural contexts. Therefore, this study incorporates an institutional perspective to reconcile the influence of home and host institutional differences on expatriate CCC. It introduces institutional theory to the CCC literature which explains how antecedents would function in different contexts. Integrating multiple theoretical perspectives (i.e., institutional theory, socio-analytic theory, social learning theory) provides a more in-depth understanding of the factors that affect the development of CCC for expatriate managers in their overseas business operations.

Third, the investigation of CCC has important and profound implications for the IB literature. Dunning and Lundan (2010) highlight the importance of the human environment in MNEs, by stating that "the uncertainties in the human environment have multiplied, and continue to grow ever more complex" (p. 1229). Therefore, scholars (Mellahi & Collings, 2010; Tung, 2007b) argue that an individual's competency to successfully manage cross-culturally is a valuable human resource for not only emerging market MNEs, but also MNEs from advanced economies that operate on a global scale. Given that cross-cultural challenges are one of the most significant failure factors for MNEs (Caligiuri & Tarique, 2009; Colakoglu & Caligiuri, 2008), the theoretical advancement in the area of CCC therefore deserves more attention from IB scholars to guide the overseas operations of MNEs and the use of expatriates in overseas management.

1.6.3 Methodological Significance

This study also contributes to expatriate literature from a methodological perspective. It is evident that previous expatriate studies depended heavily on quantitative research designs, especially self-reported survey questionnaires from expatriates (Downes et al., 2010; Peltokorpi, 2010; Templer, 2010). Survey studies offer useful overviews of the relationships among factors relating to expatriate attributes and performance across a relative large number of individuals surveyed (Cooke & Saini, 2010). However, they do not reveal managerial perceptions towards CCC and the complexity of cross-cultural interactions engaging expatriates. Scholars (Goodall, Na, & Warner, 2006; Lewis &

Ozaki, 2009) have argued that qualitative research designs are needed to unfold the complex nature of cross-cultural interactions and to further the theoretical development of cross-cultural management.

By adopting a qualitative research design, this study provides detailed descriptions and in-depth theorizing of the antecedents and developmental process of CCC. Particularly, in-depth interviews across multi-level groups of informants were used which contributes to a deep understanding of CCC and facilitates theoretical developments in this research area. This study follows Dubois and Gadde's (2002) abductive approach, which is based on 'systematic combining' of the literature, theory, conceptual models and the empirical data to provide new theoretical insights for model refinement and theory development. The reliability and validity of the method adopted were ensured through examining multi-level perspectives, member checking in the development of themes, and presenting themes back to respondents for reliability and validity check.

1.7   Structure of the Thesis

This thesis has eight chapters. This chapter offered an introduction to the overall thesis. A review of the extant literature is provided across Chapters Two and Three. In particular, Chapter Two reviews the literature on MNE and expatriates, the concept of CCC, the antecedents of CCC that help expatriates function effectively on international assignments. Chapter Three provides a contextualized review of CCC in the Chinese context, including Chinese MNEs, Chinese expatriates, and potential antecedents of

CCC as stemming from indigenous Chinese management practices. The objectives of the two literature review chapters are to summarize and indicate research themes in the research area, and to identify research gaps in order to develop research questions. Research questions developed from the gaps identified are presented at the end of Chapter Three. Finally, an overall theoretical framework is established to guide this study.

The research design of the study is detailed in Chapter Four. The chapter outlines the rationale for utilizing a qualitative approach, especially in-depth interviews with three different groups of interviewees to triangulate the findings for research questions. Furthermore, this chapter explains the process of sampling, data collection and data analysis. In Chapter Five and Chapter Six, the research findings are reported based on the research questions. Chapter Five addresses Research Question One and Chapter Six reports the findings on Research Question Two. Each chapter is focused on the major themes emerged from empirical data analysis with different perspectives from different groups of interviewees presented. The exploration of different interviewee groups reveals divergent perceptions and understandings of the CCC antecedents from Chinese expatriate managers, foreign colleagues, and other related people such as expatriate supervisors and cross-cultural consultants.

Chapter Seven presents a discussion of the findings in relation to previous theories and literature in the area of CCC. In particular, a refined conceptual model for CCC from the perspective of Chinese expatriates is developed which highlights the new constructs

of antecedents for CCC, and an integration of institutional theory with socio-analytic theory and social learning theory to fully explain the development of CCC. Finally, Chapter Eight concludes the thesis by stressing the theoretical and methodological contributions of the current study, and by highlighting the practical implications for MNEs and expatriates. Limitations of the study are also discussed with future research directions identified on the topic of expatriate CCC.

CHAPTER 2 CROSS-CULTURAL COMPETENCE OF EXPATRIATES

2.1 Chapter Objectives

This chapter provides the theoretical foundation of the current study by reviewing concepts and theories (i.e., socio-analytic theory, social learning theory) surrounding the phenomenon of CCC and identifying gaps in the extant literature. Section 2.2 provides an overview of staffing strategies used by multinationals and high failure rates of expatriates which highlight the importance of CCC possessed by expatriates. Section 2.3 reviews the current conceptualizations of CCC and also provides a critical evaluation of those conceptualizations. Sections 2.4 and 2.5 focus on the primary antecedents of CCC, namely personal attributes and personal skills, and the theoretical explanations of how CCC is developed with certain attributes and skills. Section 2.6 summarizes the gaps in the CCC literature and suggests directions for future research. Section 2.7 provides a brief summary of the chapter.

2.2 MNEs and Expatriates

2.2.1 Challenges Facing MNEs

In an era of globalization, MNEs face many challenges that would result in foreign investment failures and thus thwart their growth aspirations in the global market (Fallah & Lechler, 2008; Hemmasi, Downes, & Varner, 2010; Kim & Lee, 2007; Meyer, Mudambi, & Narula, 2011; Rugman & Collinson, 2009). Indeed, there is no sole cause

of success or failure in MNEs' operations abroad. Rather, a wide range of reasons for failure in IB have been identified. On the one hand, there are external challenges emanating from the host contexts including the host political environment, legal frameworks, economic practices, and geographic influences (Daniels, Radebaugh, & Sullivan, 2004; Holburn & Zelner, 2010; Meyer et al., 2011). For example, Meyer, Mudambi and Narula (2011) point out that MNEs face growing challenges in managing the complexity of host contexts. Based on transaction cost theory, they argue that MNEs need to exploit the differences and similarities of their multiple host locations, and balance the strategic role of the subsidiaries within the MNE network and the host country linkages to reduce transaction costs. Among the host country complexities, Holburn and Zelner (2010) argue that policy risk, which is the risk that a government will opportunistically alter policies to expropriate an investing firm's profits or assets, is a significant barrier for MNEs. The capabilities of MNEs to assess and respond appropriately to host policy risk will provide them competitive advantage in the host country.

On the other hand, problems may rise from the functional areas within MNEs such as those relating to international management challenges (i.e., failure of expatriates to manage cross-culturally) (Johnson et al., 2006; Tung, 2007b), technical (i.e., research and development) deficiencies (Franco & Sasidharan, 2010) and financial problems (Kuo, Hu, & Hsu, 2006; Sayek, 2009). Among these internal challenges, a key factor identified is the talent management failure, which relates to the extent to which MNEs are (un)able to attract and retain human talent as well as their capability to effectively

utilize their talent on a global scale (Farh, Bartol, Shapiro, & Shin, 2010; Kim & Lee, 2007; Mellahi & Collings, 2010; Tung, 2007b). For example, drawing on bounded rationality theory (Meyer & Peng, 2005), Mellahi and Collings (2010) argue that there are potential risks for MNE headquarters to overlook their talent due to the incomplete information available for decision-making and sense-making. Bounded rationality theory is often used to explain the decision-making process in complex situations where individuals' cognitive limits or time constraints inhibit their ability to process and interpret a large volume of information during decision-making (Hammond, Keeney, & Raila, 1998; Simon, 1979). With bounded rationality, it is most likely that MNE headquarters do not staff the most suitable talent to the key overseas positions, thus resulting in a potential loss of competitive advantage in foreign markets (Mellahi & Collings, 2010). Slightly different from the preceding argument, Farh and colleagues (Farh et al., 2010) point out that a more important talent management challenge is the inability of home country managers to adjust to and effectively function in a foreign culture while managing in the host country subsidiary. Basing their arguments on network theory, the authors claim that in order to adjust better in foreign markets, home managers must form network ties with host country people to obtain critical informational and emotional support resources. This viewpoint has been supported by other scholars (Bird et al., 2010; Black, 1990; Johnson, Kristof-Brown, Van Vianen, De Pater, & Klein, 2003; Johnson et al., 2006; Leiba-O'Sullivan, 1999; Morley & Cerdin, 2010; Selmer, 2005)

Taken together the literature pertaining to the external and internal challenges faced by MNEs, it appears that challenges in talent management, especially the management of talent on overseas assignment, are significant issues for MNEs. The strategic roles played by those staff include exchange mechanisms of knowledge and resources between headquarters and subsidiaries (Takeda & Helms, 2010), as well as channels through which MNEs implement control and cope with the complex external challenges in various host environments (Chang, Mellahi, & Wilkinson, 2009; Ferner et al., 2011). Despite the importance of suitable human resources in their global expansion (Thite, Srinivasan, Harvey, & Valk, 2009; Tung, 2007b), many MNEs still suffer from the constraints in this area. Therefore, it is important to study the issue of positioning appropriate candidates on international assignments so as to develop and sustain the competitive advantage of MNEs (Cheese, Thormas, & Craig, 2008). In the following section, the staffing strategies used by MNEs for international assignments are reviewed to unfold the advantages and disadvantages of using various groups of managers.

2.2.2 Global Staffing of MNEs

Global staffing is defined as the process of acquiring, deploying and retaining a workforce in organizations with operations in various foreign locations (Scullion & Collings, 2006). In FDI activities, MNEs' human resources run various geographically dispersed operations, and hence global staffing plays a strategic role in coordinating and controlling overseas units (Mayrhofer, Sparrow, & Zimmermann, 2007; Tarique & Schuler, 2008). Prior studies have indicated three key types of employees that MNEs

can use in managing their international operations. They are defined by researchers (Dowling, Festing, & Engle, 2008; Mayrhofer et al., 2007) as follows:

- Parent-country nationals (PCNs): employees from the home country where the MNE is headquartered;

- Host-country nationals (HCNs): Local employees where a subsidiary may be located;

- Third-country Nationals (TCNs): employees from countries other than the 'home' or 'host' country of an MNE's operations;

Traditionally, the nationality of the employee has been considered a major factor in determining the person's 'category', and the term 'expatriate' refers to PCNs who are sent across national boundaries by MNE headquarters (Tung, 1981, 1982). Recently, with the globalization of markets and the increased mobility of the work force, managerial talent also include self-initiated expatriates who are not sent by organizations but seek out jobs in a foreign country themselves (Jokinen et al., 2008). With more and more self-initiated expatriates, the definition of 'expatriate' no longer depends on the person's nationality or birth place. Rather, it depends on the individual's cultural background—that is—where the person was brought up and the original value systems adopted by that person (Jokinen et al., 2008). For example, if a Chinese person

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has spent most of his or her life in the US, it can be well assumed that his/her behaviour and mindset are embedded in the US culture. Therefore, if the person selected to work for a US firm in China, he or she should be classified as an expatriate. That person may not outperform other expatriates (i.e., American born) as he or she may have limited local knowledge.

An extensive review of the literature on global staffing indicates that studies in this area have focused heavily on the flow of PCNs from home country headquarters to subsidiaries (i.e., expatriates) (Colakoglu & Caligiuri, 2008; Tan & Mahoney, 2006; Tarique & Schuler, 2008; Tarique, Schuler, & Gong, 2006; Vo, 2009), while studies examining HCNs and TCNs are relatively limited (Collings et al., 2010). The reasons why MNEs prefer to use PCNs for their overseas operations are associated with the following three aspects of this group of people: 1) their ability to communicate effectively with headquarters; 2) their familiarity with the parent company's corporate culture; and 3) their employment relationship with MNEs, which enables headquarters to maintain control over the subsidiary's operations (Dowling et al., 2008; Tarique & Schuler, 2008; Vo, 2009). Compared to expatriates, there are obvious differences between PCNs and HCNs/TCNs in terms of national cultural orientations, language used, and knowledge about corporate practices. These differences may present challenges for headquarter-subsidiary communication and coordination (Vo, 2009).

However, recent studies have challenged the focus on PCNs, and have increasingly focused on the benefits of employing HCNs and TCNs (Collings et al., 2010; Tarique &

Schuler, 2008; Tarique et al., 2006). It has been recognized that HCNs and TCNs present MNEs with lower cost employment options, in terms of salary and benefit, compared to using expatriates (Dowling et al., 2008; Kobrin, 1988; Vo, 2009). Furthermore, HCNs and TCNs are potentially better informed about the host environment than PCNs, resulting in lower adjustment problems and failure rates (Tarique & Schuler, 2008). Compared to TCNs, HCNs may be even better in facilitating the localization process of MNEs, given their original connections and cultural embeddedness in the host context (Collings et al., 2010). For this reason they are important assets for MNEs' global networks and global mind-set. Finally, TCNs can present a better staffing option compared to their PCN counterparts from the perspective that they are more willing to accept deployment decisions such as being transferred from country to country which provides MNEs more flexible human resource options (Briscoe, Schuler, & Claus, 2008).

Although it appears that more studies are needed on minority employee groups (i.e., HCNs, TCNs, and self-initiated expatriates) on international assignments (Collings et al., 2010), it is evident that to date many MNEs still prefer to use PCNs as expatriates on overseas assignments (Fang, Jiang, Makino, & Beamish, 2010; Khan, Khan, & Rahman, 2011). This is due to strategic concerns such as enabling control (Shen, 2006), maintaining a high ownership ratio of subsidiaries (Bebenroth, Li, & Sekiguchi, 2008) and coping with cultural distance (Colakoglu & Caligiuri, 2008). Yet, MNEs face high risks of assignment failures as well as low subsidiary performance, given that expatriates face more barriers than HCNs/TCNs in adjusting to the host cultural

requirements and developing their local competences (Caligiuri & Tarique, 2009; Colakoglu & Caligiuri, 2008). Expatriate failure, therefore, becomes an inevitable issue that MNEs have to cope with (Cerimagic, 2010; Cole, 2011; Harzing & Christensen, 2004; Lee, 2007; Lund & Degen, 2010; Okpara & Kabongo, 2011). Accordingly, the next issue to be discussed is expatriate failure, with specific references to the failure rates and the causes of failure.

2.2.3   Expatriate Failure

An extensive review shows that studies on expatriate failure have focused mainly on two broad areas, which are 1) failure rates and 2) causes of expatriate failure. In the following, these two areas are reviewed with gaps for future studies identified.

Failure Rates

Traditionally, expatriate failure has been defined as the premature return of an expatriate before completion of an international assignment due to poor work performance and/or problems associated with adjusting to a foreign culture (Tung, 1982). Based on this definition, Tung's (1982) survey of American companies found that 7% of respondents (n=80) reported failure rates between 20% and 40%, 69% of respondents reported failure rates between 10% and 20%, and 24% had failure rates below 10%. By contrast, Chew (2004) found a lower failure rate with the Australian sample. Sixty seven percent of the 30 companies he studied indicated a failure rate of up

to 5% by prematurely returned international assignees, 6% indicated a 10% failure rate, and the rest indicated a rate of 25%.

However, the traditional definition of "expatriate failure" is argued to be inadequate because it does not measure the effectiveness of expatriates on international assignments (Harzing & Christensen, 2004; Harzing, 1995). According to Harzing (1995), those expatriates who stay on their assignment but fail to perform adequately are more damaging to the organization than those who return prematurely. In addition, she points out that when expatriates return home, they face problems of readjusting to the home culture. Failure to do so can also be regarded as expatriate failure (Harzing, 1995). Accordingly, a new definition was given to 'expatriate failure' as "the inability of the expatriate or repatriate to perform according to the expectations of the organization" (Harzing & Christensen, 2004, p. 625). When repatriation failure as well as incompetent expatriates are considered, expatriate failure rates are expected to be much higher than the literature suggests (McGinley, 2008).

Most recently, a critical review by Okpara and Kabongo (2011) identified that prior literature suffered from a lack of theoretical underpinnings and suggested a failure rate to range anywhere between 10% and 80%. The empirical-driven nature of prior studies has also been identified by other scholars (Harzing & Christensen, 2004; Lee, 2007), who criticized that the literature on expatriate failure was sketchy in nature, especially with insufficient theoretical groundings. Given that each failed assignment cost MNEs between U.S. 40,000 dollars and U.S. 1 million dollars on average (Vogel & van

Vuuren, 2008), the phenomenon of expatriate failure deserves further research in order to strengthen the theoretical foundations of this area. Particularly, the causes of expatriate failure need to be addressed to protect MNEs from direct and indirect economic losses such as negative impact on market shares and commitment of employees (Harzing & Christensen, 2004).

Failure Causes

A thorough review of the literature identified several reasons associated with expatriate failure, which include 1) the inability of the expatriate to adapt to the host country's culture, 2) the inability of expatriate spouse or family to adapt to the host country's culture, and 3) Poor candidate selection and training (Cerimagic, 2010; Harzing & Christensen, 2004; Haslberger & Brewster, 2008; Lee, 2007; Okpara & Kabongo, 2011; Stone, 1991; Tung, 1987). The first two major reasons highlight the adjustment difficulties encountered by individuals, including expatriates themselves and their family members, in adapting to the working and living requirements of a foreign culture (Cerimagic, 2010; Cole, 2011). Although the last reason emphasizes the role of organizational support in reducing expatriate failure rates, the purpose of adequate support (i.e., proper selection and training) is still associated with alleviating the adjustment problems of expatriates and their family companions (Okpara & Kabongo, 2011; Puck, Kittler, & Wright, 2008; Shen & Lang, 2009). Therefore, it is evident that individual adjustment difficulties are the prominent causes of expatriate failure (Andreason, 2008; Chang, 2009; Farh et al., 2010; Guilherme, John, & Shane, 2006).

The adjustment problems can be justified theoretically from the perspective of 'culture shock', which most individuals experience when they first confront a different culture (Adler, 1997; Black, 1990; Goodall et al., 2006; Lowe, Hwang, & Moore, 2011; Weeks, Weeks, & Willis-Muller, 2010). Black and Mendenhall (1991) proposed the U-curve adjustment model, comprising the 'honeymoon period', the 'culture shock period', the 'recovery period' and finally the 'mastery period', to explain the individual adjustment process. The 'culture shock period' is a crucial stage as individuals will experience escalated anxiety and frustration after the initial fancy imaginations of a foreign clutter (De Cieri, Dowling, & Taylor, 1991). Due to increased contact with the new environment, expatriates are exposed to more occasions in which they will experience clashes between their own cultural values and the new cultural system, resulting in unacceptable or inappropriate behaviours viewed by host nationals (Farh et al., 2010). Expatriates' support-seeking occurs intensively during this stage, and those who fail to secure sufficient support may not be able to recover from the shock and are likely to end up with ineffective performance and failed assignments (Farh et al., 2010).

An extensive review of the literature identifies that studies have focused mainly on developed country expatriates, or Western expatriates (i.e., those from North America, European countries and Australia) (Cerimagic, 2010; Harzing & Christensen, 2004; Lee, 2007), while studies on developing country expatriates, or Asian expatriates are very limited as reported by Stone (1991) two decades ago. This may relate to the late internationalization of Asian firms, which limits the availability of Asian expatriates on international assignments (Dowling et al., 2008). An extensive search was conducted,

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using major management databases (i.e, Business Source Premier, ProQuest, and Emerald) with various key words similar to "expatriate failure" and "Asian/Eastern managers" during the period of 1960 to 2011 (together with names of major Asian countries including China, Japan, Korea etc.), which have just yielded three references (Black, 1990; Fukuda & Chu, 1994; Stone, 1991). Coincidentally, all three studies examined the Japanese expatriates, revealing a clear absence of possible failure/success factors among other Asian expatriates. For example, Fukuda and Chu (1994) examined Japanese expatriates, and uncovered reasons of failure that were similar to Western expatriates. The study demonstrates that Japanese expatriates experienced considerable cultural difficulties even in culturally similar East Asian countries (i.e., China, South Korea), and they also encountered family adjustment problems. In contrast, Stone (1991) argues that unlike the US expatriates, Japanese expatriates would not rank family adjustment problems as a high failure factor due to their particular emphasis on work rather than family, which indicates that culture plays a role in expatriate perceptions of failure determinants. The above studies may be out of date and hence, Asian expatriates deserve more research attention.

In summary, existing literature suggests that expatriate failures are predominately the result of individual adjustment problems, stemming from differences between home and host culture values (Cerimagic, 2010; Harzing & Christensen, 2004; Haslberger & Brewster, 2008; Lee, 2007; Okpara & Kabongo, 2011; Stone, 1991; Tung, 1987). Therefore, expatriates as well as their family members need to possess CCC in order to function effectively in a new cultural environment (Bird et al., 2010; Johnson et al.,

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2006; Morley & Cerdin, 2010). One obvious gap in this area is the research emphasis on Western expatriates and the lack of studies focusing on Asia and other developing countries. It is argued that further insights into expatriate failure, especially from a non-Western perspective, need to be provided theoretically and empirically (Dowling et al., 2008). Other shortcomings of the expatriate failure literature include the inconsistent definitions of expatriate failure (Harzing & Christensen, 2004) and a lack of discussion on how to overcome failures on international assignments. Therefore, more research from a cultural competency perspective is needed, theoretically and empirically, to address the issue of expatriate failure (Bird et al., 2010; Johnson et al., 2006; Morley & Cerdin, 2010).

In the following section, CCC in IB activities is reviewed to uncover the competencies needed by expatriates to perform effectively on international assignments.

2.3   Cross-cultural Competence

2.3.1   Current Conceptualizations

Gertsen (1990) has termed 'cross-cultural competence' (CCC) as "the ability of individuals to function effectively in another culture" (p.346). In this sense, many failures in international operations can be attributed to the poor CCC of international managers (Johnson et al., 2006; Lloyd & Härtel, 2010; Morley & Cerdin, 2010). Leiba-O'Sullivan (1999) suggests that there are two types of CCC—stable and dynamic CCC. The former captures individual characteristics in terms of traits, while the latter

represents an individual's cultural knowledge, cultural skills, and self-efficiency factors. She argues that 'stable CCC' (i.e. personality traits) is more essential than 'dynamic CCC' (e.g. cross-cultural knowledge and skills), because the former constrain an individual's ability to acquire the latter.

In a conceptual paper, Johnson et al. (2006) agree with Leiba-O'Sullivan's viewpoint that personality traits, knowledge and skills are important components of CCC. However, they disagree with Leiba-O'Sullivan in a sense that desirable personality traits, high levels of knowledge and skills, may not always lead to CCC as there is a gap between 'knowing' and 'doing'. That is to say, possessing desirable attributes, knowledge and skills may not always lead to CCC if individuals cannot use those antecedents effectively. They define CCC particularly for the IB field as:

> *"Cross-cultural competence in international business is an individual's effectiveness in drawing upon a set of knowledge, skills, and personal attributes in order to work successfully with people from different national cultural backgrounds at home or abroad." (Johnson et al., 2006, p.530)*

This definition emphasizes that "CCC is the behaviour adaptation that individuals undertake in order to interact effectively with people from different cultures" (Johnson et al., 2006, p.530), and highlights three antecedents of CCC including knowledge, skills and personal attributes. The knowledge dimension of CCC includes culture-general knowledge and culture-specific knowledge. The former looks at cultural differences and the complex economic, political, legal and social environment in which

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international business operates. The latter focuses on specific knowledge about another culture, which includes information about the host country's history, its social, political, and value system, and rules for appropriate behaviour. Skills, as the second antecedent, are the behavioural component of CCC, which include ability (specific skill sets that have been acquired over time) and aptitude (an individual's capacity to acquire additional skill-sets). Finally, the personal attributes dimension includes personality traits and socio-demographic factors of individuals such as age and gender (Claus, Lungu, & Bhattacharjee, 2011). Johnson et al.'s (2006) model of CCC is presented below as Figure 2.1.
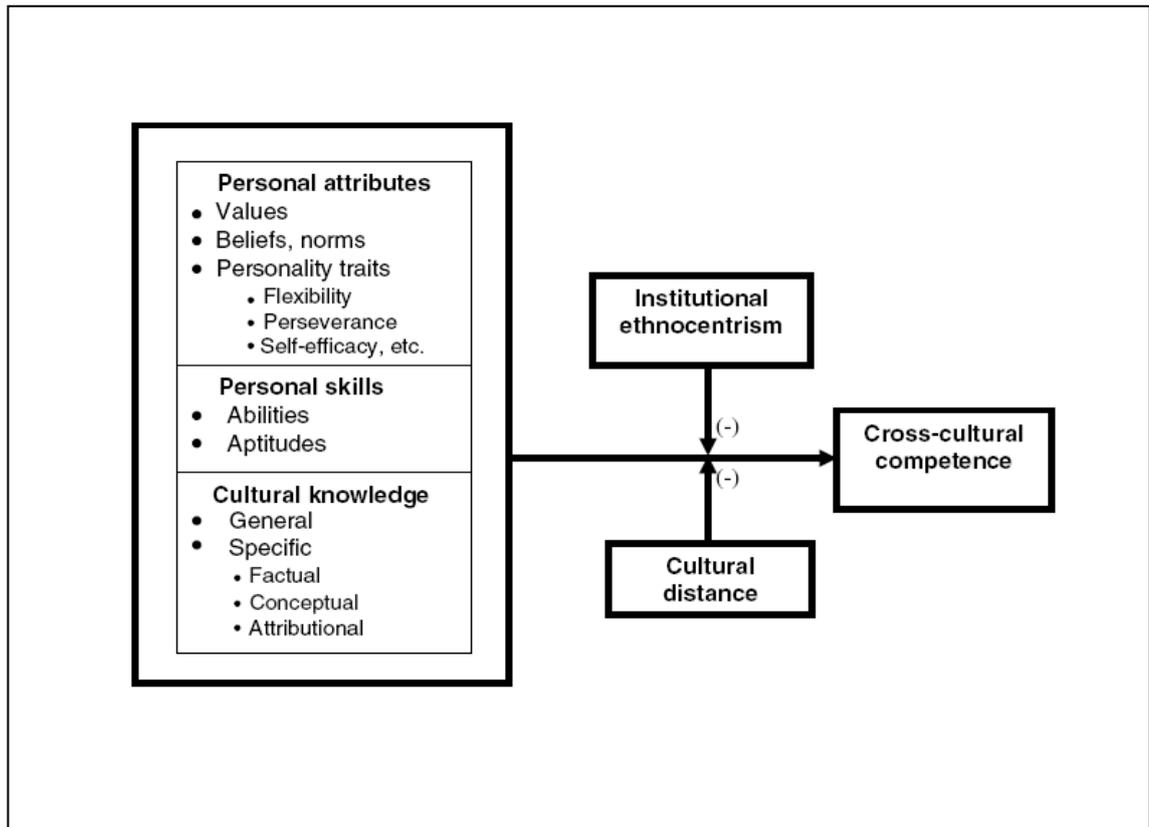
Figure 2.1 A Model of Cross-cultural Competence in International Business

Source: Johnson et al., (2006, p. 533).

In addition, Johnson et al. include two moderating factors in their conceptual model of CCC, namely institutional ethnocentrism and cultural distance, both of which negatively influence CCC. Institutional ethnocentrism, which refers to imposing the home culture/organization's way of doing things on the subsidiaries overseas, can occur at the individual or organizational level. Cultural distance is usually used to describe the overall difference in national culture based on Hofstede's (1980) cultural dimensions

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(Johnson et al., 2006). It is generally accepted that a larger cultural distance will result in more difficulties due to different cultural values and other environmental factors such as the language, the economy and political systems (Chen, Kirkman, Kim, Farh, & Tangirala, 2011; Sousa & Bradley, 2008). A term similar to 'culture distance' in IB is 'psychic distance' (Ellis, 2008) which is defined as those factors "preventing or disturbing flows of information between firm and market" (Johanson & Wiedersheim-Paul, 1975, p. 308). It is argued that cultural or psychic distance will have a negative impact on firm and expatriate performance in foreign markets as differences in culture and language incur learning cost for firms and expatriates (Ellis, 2007, 2008). As shown in Figure 2.1, it is assumed that both institutional ethnocentrism and cultural distance have a negative impact on the effective implementation of cultural knowledge, skills and attributes that lead to CCC (Johnson et al., 2006).

One strength of the CCC model proposed by Johnson et al. (2006) is the identification of moderating factors. These include institutional ethnocentrism and cultural distance. Prior studies (Gertsen, 1990; Leiba-O'Sullivan, 1999) focused mainly on the constituents of CCC while ignoring the influence of the home and host environments on CCC development. Acknowledging the major barriers in the cultural environment is important as they moderate the effective use of attributes, skills and knowledge (Huang et al., 2005; Johnson et al., 2006). However, the weakness is that Johnson et al. (2006) have not investigated those institutional moderators in depth (i.e., identifying specific factors) and their arguments are not supported by empirical evidence. Therefore it

leaves a gap requiring further theoretical and empirical investigations of detailed cultural barriers.

2.3.2 Evaluations of Conceptualizations

Recently, an extensive literature review conducted by Bücker and Poutsma (2010) on the theoretical foundations of CCC concluded that there is still definitional and conceptual challenges in this area. They suggest that there is a strong overlap between CCC and similar concepts including (1) expatriate adjustment and (2) cultural intelligence, which leads to confusions on the meanings as well as the components of CCC. This viewpoint has been supported by other scholars (Bird et al., 2010) who have pointed out that expatriate adjustment competencies are important elements of CCC, and therefore a more integrated approach is needed to study cultural competencies.

Cross-cultural adjustment refers to the degree to which expatriates are psychologically comfortable and also effective in mastering the role requirements in a foreign culture (Black, 1988; Black & Mendenhall, 1991). Although Gertsen (1990) claims that cross-cultural adjustment may not equal CCC as a psychologically well-adjusted individual may not always perform competently at work, most researchers believe that the behavioural competences demonstrated through adjustment would be a necessary indicator for CCC (Bücker & Poutsma, 2010; Johnson et al., 2006; Morley & Cerdin, 2010). In this way, literature on expatriate adjustment needs to be integrated into the

CCC domain to fully investigate its antecedents and developmental process (Bird et al., 2010; Johnson et al., 2006).

Cultural intelligence, on the other hand, has very different features to CCC (Earley & Ang, 2003). Cultural intelligence not only captures the personal characteristics (i.e., knowledge, attributes, and skills) of successful individuals in cross-cultural interactions, but also the process of becoming culturally competent. That is, the cognitive skills that enable individuals to function effectively in a foreign culture, the motivational impetus to adapt, and the behavioural adaptation in various situations (Earley & Ang, 2003). Yet, cultural intelligence is more related to the process of acquiring appropriate behaviours while CCC is more relevant to performance (i.e., applying skills and knowledge) in real-life situations (Johnson et al., 2006). In essence, cultural intelligence emphasizes learning while CCC emphasizes application and practice (Ng, Van Dyne, & Ang, 2009). Besides, Cardon (2010) and Moon (2010) note that cultural intelligence is a general concept applied not only to international management, but also to the broader area of the immigrant population and workplace diversity. By contrast, CCC relates to more specific cross-border activities performed by expatriate managers rather than within border workplace diversity (Johnson et al., 2006).

Besides the definitional problems, another problem in this area associates with the operationalization of the CCC constructs. As noted by Johnson et al (2006), "This conceptualization of CCC is of little practical value unless it can be properly assessed. There is therefore a need to develop a valid, reliable measure of CCC that would serve

several practical purposes" (p.535). Further, the conceptual model contains no detailed description of what these antecedents (knowledge, skills and attributes) include. Therefore, although the initial theoretical model of CCC has been developed, to date the empirical studies based on that model are particularly lacking (Bücker & Poutsma, 2010; Zhang & Xu, 2009). The CCC area is still in its infancy and requires theoretical development as well as empirical investigations (Bird et al., 2010; Morley & Cerdin, 2010).

Another obvious limitation, as previously pointed out, is that scholars either ignore the environmental barriers of CCC (Leiba-O'Sullivan, 1999), or tend to extract a few universal dimensions to represent environmental influences (Goodall, 2002; Johnson et al., 2006; Peltokorpi, 2010). In cross-cultural research, there is a long tradition of using simplified cultural factors, especially Hofstede's (1980; 1991) national culture dimensions, to study adjustment, workplace behaviour, and performance of expatriates (Brock, Shenkar, Shoham, & Siscovick, 2008; Froese & Peltokorpi, 2011; Seak & Enderwick, 2008). Such research has been criticized for over simplifying the complex cultures and various cross-cultural situations, assuming that cultures and social values are static, and ignoring within-country cultural diversities (Egan & Bendick, 2008; Tung, 2007a). Therefore, in order to advance the conceptual and empirical progress of cross-cultural research, scholars are calling for rigorous research methodologies that could provide more detailed descriptions of cross-cultural interactions and in-depth theorizing of CCC (Bird et al., 2010; Goodall et al., 2006; Morley & Cerdin, 2010). Institutional theory (DiMaggio & Powell, 1991; North, 1990), which emphasizes the environment

within which firms and human behaviours take place (Peng, Wang, & Jiang, 2008), would be particularly useful in MNEs' human resource activities (Bjorkman et al., 2007) but has been missing in the CCC literature based on an extensive search of papers in this area. The unique institutional environment of China presents ideal social and cultural context for the study, which is discussed further in Chapter 3.

Given the limitations of previous work, this study considers not only the CCC literature, but also the expatriation literature, to identify specific antecedents of CCC. Expatriate adjustment and effectiveness have been long studied and the measurements of constructs have been well developed (Black, 1988; Chen et al., 2011; Downes et al., 2010; Hemmasi et al., 2010; Huang et al., 2005; Okpara & Kabongo, 2011; Shaffer et al., 2006; Yamazaki, 2010). From extant empirical evidence, the expatriate literature suggests that personal attributes (Downes et al., 2010; Huang et al., 2005; Peltokorpi, 2008, 2010; Shaffer et al., 2006; Templer, 2010) and personal skills (Bolino & Feldman, 2000; Graf, 2004; Seak & Enderwick, 2008; Yamazaki, 2010) are primary antecedents of successful adjustment. The knowledge dimension is excluded as knowledge is manifested through effective skill displays (Leiba-O'Sullivan, 1999; Neupert, Baughn, & Dao, 2005; Seak & Enderwick, 2008; Yamazaki, 2010; Yamazaki & Kayes, 2004). Following previous research, this study seeks to synthesize and integrate the extant literature to identify antecedents of CCC in terms of personal attributes and personal skills.

2.4 Personal Attributes for Cross-cultural Competence

In the expatriation literature, many studies have been dedicated to exploring the relationships between individual differences and expatriate adjustment, effectiveness and competence (Bird et al., 2010; Downes et al., 2010; Kim & Slocum, 2008; Lee & Sukoco, 2010). Individual differences describe personal attributes in terms of personality traits, norms and attitudes, experience, education, gender, age, marital status and so on (Templer, 2010). In the following section, the influence of personality and other socio-demographic factors (i.e., age, gender, prior experiences) on CCC is critically reviewed and the gaps in the extant literature are uncovered.

2.4.1 Personality Traits: The Five Factor Model

Extensive literature suggests that several personality traits are positively associated with cross-cultural adjustment and expatriate effectiveness (Kim & Slocum, 2008; Shaffer et al., 2006). Personality traits, which portray individual differences in the way individuals think and behave, are relatively stable over time (Shaffer et al., 2006). Although many personality characteristics exist, recent studies conclude that a five-factor model of personality traits, often known as the Big Five, is sufficient in capturing the most salient aspects of personality (Goldberg, 1990; Judge, Ilies, Bono, & Gerhardt, 2002). Particularly, in the context of international assignments, most studies have used the five factor model as a theoretical framework to organize expatriate personality and to examine the influence of those traits on expatriate adjustment and effectiveness, which

are similar to CCC (Burke, Watkins, & Guzman, 2009; Caligiuri & Tarique, 2009; Caligiuri, Tarique, & Jacobs, 2009; Caligiuri, 2000b; Claus et al., 2011; Downes et al., 2010; Huang et al., 2005; Ramalu, Rose, Kuniar, & Uli, 2010; Shaffer et al., 2006). The five factors are conscientiousness, emotional stability, openness, agreeableness and extraversion (McCrae & Costa, 1987).

Conscientiousness refers to the extent to which individuals are self-disciplined, careful and dependable (Costa & McCrae, 1992; McCrae & Costa, 1987). Conscientious individuals are reliable, willing to take responsibilities, and willing to take initiatives (McCrae & Costa, 2004). Emotional stability is the tendency to experience positive emotions and remain calm in stressful situations (Costa & McCrae, 1992). Individuals high on this quality are able to deal with stress, and possess a positive self-image (McCrae & Costa, 2004). Agreeableness is a tendency to be pleasant and accommodating in social situations and it reflects individual differences in relation to cooperation and social harmony. Individuals high on this trait are more friendly, considerate, empathic, and helpful in interpersonal settings (Costa & McCrae, 1992). Openness, also referred to as open-mindedness, is an individual's open attitude to out-group members and different cultural values. Individuals high on this trait are flexible, innovative, willing to accept different ideas and take risks (Costa & McCrae, 1992). Extraversion refers to the tendency of individuals to enjoy and be energized by interaction with others. Individuals high on this trait are talkative, active, and energetic in social interactions (Costa & McCrae, 1992).

The mechanisms through which the Big Five personality characteristics work as predictors of expatriate success can be theoretically justified from socio-analytic theory (Hogan, 1996; Hogan & Roberts, 2000) and evolutionary personality psychology (Caligiuri, 2000a). In the following section, these theoretical perspectives are compared and the strengths and weaknesses of each perspective in studying CCC are identified in order to uncover gaps for future research.

Socio-analytic Theory and Evolutionary Personality Psychology

Both socio-analytic theory and evolutionary personality psychology have been developed from domestic management studies in terms of personality traits and workplace behaviour (Caligiuri, 2000a; Hogan, 1996; Hogan & Roberts, 2000). From a socio-analytic theoretical perspective, personality is an evolutionary outcome of human beings' group-living and cultural-using experiences (Hogan, 1996). In the workplace, personality poses a direct impact on work-related outcomes (e.g., performance) because workplace behaviour is a function of an individual's personality and the situation (i.e., organizational roles and agendas in work interactions) (Hogan & Holland, 2003). Situations are defined as expectations of the other participants in an interaction, which can be translated into social expectations (Shaffer et al., 2006). Compliance with those expectations is determined by whether those expectations are consistent with individual personalities in order to satisfy the basic human needs of moving ahead (achieving status), getting accepted (getting along), and finding meaning (Hogan & Roberts, 2000). Therefore, possessing certain personality traits will determine the extent to which one is

suitable for a given role (Hogan & Shelton, 1998). In the context of international assignments, this theory implies that expatriates who possess important personality traits would be perceived as better performers on international assignments (Claus et al., 2011).

From a similar perspective, evolutionary personality psychology suggests that the Big Five personality traits are adaptive mechanisms for humans to ultimately achieve the following two goals: reproduce and preserve life (Buss, 1991). These adaptive mechanisms include individuals' willingness to conform and cooperate (i.e., agreeableness), their capability for reliable work and enduring commitment (i.e., conscientiousness), their dispositional characteristics to handle stress (i.e., emotional stability), their innovation and original ideas to solve problems (i.e., openness), and characteristics to get along and get accepted (i.e., extroversion) (Buss, 1991). Therefore, individuals that are agreeable, conscientious, open, extrovert and emotionally stable may be better positioned to form important relationships, get promoted, and attain a higher status in the hierarchy (Caligiuri, 2000a). Evolutionary personality psychology provides theoretical reasoning similar to the socio-analytic theory in explaining the influence of personality on workplace behaviour: that is, personality characteristics predispose humans to behave in certain ways, given particular situations, to achieve certain goals (Costa & McCrae, 1992; Derue, Nahrgang, Wellman, & Humphrey, 2011).

Despite the similarities between socio-analytic theory and evolutionary personality psychology, scholars (Caligiuri, 2000a; Shaffer et al., 2006) argue that the former is

more suitable for expatriate personality studies as the goals (i.e., getting along, getting ahead, and finding meaning) proposed by socio-analytic theory are more relevant to the organizational context. This viewpoint has been supported by several scholars (Burke et al., 2009; Caligiuri et al., 2009; Zhang, Mandl, & Wang, 2010). The strength of the socio-analytic theoretical perspective is that it provides rationales for the positive role played by the five factor personality traits on international assignments.

According to socio-analytic theory (Hogan, 1996; Hogan & Roberts, 2000; Shaffer et al., 2006), conscientiousness enables expatriates to exert more effort at work and engage in extra-role behaviour, which facilitates their adjustment of both working (getting ahead) and relationship building (getting accepted). Emotional stability helps expatriates deal with stress arising from interaction with the unfamiliar environment by reducing psychological discomfort and reinforcing confidence. Agreeableness enables expatriates to get along with host employees, and effectively resolve conflicts in intercultural communications. Openness, on the other hand, is particularly relevant to finding meaning as it enables expatriates to learn from the new environment and make correct attributions about host employees' behaviour. Finally, extroversion is also associated with getting along with host employees. Individuals high on this quality are willing to communicate with locals, which provides them more local knowledge and facilitates their work performance accordingly.

However, socio-analytic theory is limited in capturing the nature of the complex relationships between personality and CCC. The weakness of this theory can be

reflected from the inconsistent empirical findings in this area which present conflicting evidence to the theory (Caligiuri et al., 2009; Claus et al., 2011; Downes et al., 2010). In the following section, the empirical studies are reviewed to further uncover the weakness of socio-analytic theory and the gaps in this area.

Empirical Inconsistencies

In order to include all the relevant studies focusing on expatriate personality and their CCC, an extensive search was conducted using multiple databases (i.e., Business Source Premier, Emerald, and ProQuest) covering more than 10,000 academic journals. The key words used to search all the relevant academic articles include 'expatriate', 'personality' or 'trait' or 'big five' or 'individual'. The pure conceptual or literature review papers were excluded and only those with empirical evidence were selected. In addition, studies based on student samples (e.g., Guthrie & Ash, 2003; Ward & Low, 2004) were also excluded given their lack of relevance to the MNE context. Finally, eight studies were identified which particularly focused on personality and expatriate assignment outcomes. These studies are based on the theoretical framework of the Five Factor Model and their conflicting findings are presented in Table 2.1 below.

Table 2.1 indicates the sample size of previous studies (from 36 to 182), the year that each empirical study was published (from 1997 to 2010), and the home and host countries of MNEs being surveyed. Most of the expatriate samples were based in MNEs from developed markets and operating in less developed economies. More importantly,

the table summarizes the empirical findings of each study on the relationships between the Big Five factor and expatriates' self-rated or supervisor-rated performance, assignment completion, adjustment, or psychological well-being. It reveals inconsistent findings among those empirical studies.

Table 2.1 Summary of Expatriate Studies Based on the Five Factor Model

Number of articles	Authors	Year	Home country	Host country	Conscientiousness	Openness	Extroversion	Agreeableness	Emotional Stability
1	Deller (N=36)	1997	German Austrian	Korea	Yes (self-rating performance)	No	Yes (self-rating performance)	No	No
2	Caligiuri (N=143)	2000	81% US	Not specified	Yes (supervisor-rated performance)	No	Yes (assignment completion)	Yes (assignment completion)	Yes (assignment completion)
3	Dalton & Wilson (N=61)	2000	Middle East	11 host locations but locations not specified	Yes (home boss rated performance) No (host boss rated performance)	No No (host boss rated performance)	No No (host boss rated performance)	Yes (home boss rated performance) No (host boss rated performance)	No No (host boss rated performance)
4	Van Oudenhoven et al. (N=102)	2003	Western countries	Taiwan	No	Yes (host social support)	No	Yes (psychological well-being)	Yes (adjustment)
5	Huang et al. (N=83)	2005	US	Taiwan	No	Yes (work adjustment)	Yes (interaction adjustment)	Yes (interaction adjustment)	No

6	Shaffer et al. (N=182)	2006	Diverse (i.e, Japanese, Korean)	Diverse	No	Yes (adjustment and performance)	Yes (adjustment and performance)	Yes (adjustment and performance)	No
7	Peltokorpi (N=110)	2008	Mainly US, UK, France	Japan	No	No	No	No	Yes (adjustment)
8	Downes, Varner & Hemmasi (N=118)	2010	Not specified	Not specified	No	Yes (adjustment)	Yes (adjustment)	Yes (job performance)	Yes (adjustment)

Table 2.1 suggests that the Big Five traits are related to CCC differently. For example, three out of the eight articles regarded conscientiousness as relevant to CCC but in different situations. It is clear that conscientiousness is argued as the only important trait relating to expatriates' supervisor-rated performance by Caligiuri (2000a) when she studied 143 US expatriates in diverse locations. Similarly, by examining different expatriate samples including German, Australian and Middle East expatriates, Deller (1997) and Dalton and Wilson (2000) found conscientiousness to be important to either self-rated performance or supervisor-rated performance. However, the above findings have been challenged by other studies using large numbers of expatriates and more diverse expatriate groups. A comprehensive study conducted by Shaffer and colleagues (Shaffer et al., 2006) based on 182 expatriates from diverse national origins in Hong Kong as well as from Korea and Japan, revealed that conscientiousness is the only trait within the Big Five that is not helpful for expatriates' adjustment or performance.

The empirical studies on openness also present conflicting evidence. Based on an examination of 102 Western expatriates in Taiwan, Van Oudenhoven et al. (2003) found that openness is positively associated with host social support. A very similar study conducted by Huang et al. (2005), however, revealed slightly different results. The authors studied 83 US expatriates in Taiwan, and the results suggest that openness was positively associated with expatriates' work adjustment. A recent study based on expatriates from diverse home countries has also confirmed the positive influence of openness on expatriate adjustment (Downes et al., 2010). By contrast, several other empirical studies have refuted the influence of openness on either expatriate adjustment

or performance (Caligiuri, 2000a; Peltokorpi, 2008). For example, in a study of Middle East expatriates, Dalton and Wilson (2000) suggest that openness does not relate to either home boss rated performance nor host boss rated performance. Similarly, examining 110 developed country expatriates (mainly from the US, UK, and France) in Japan, Peltokorpi (2008) failed to identify any connections between openness and expatriate work adjustment as well as their adjustment to the general living environment.

Likewise, there is not yet consensus on the influence of the other three traits, namely extroversion, agreeableness, and emotional stability, on expatriate CCC. Shaffer et al. (2006) suggest that agreeableness and extraversion are positively associated with all forms of adjustment (i.e., work, interaction, general living) and performance (i.e., task, contextual) of expatriates. In addition, agreeableness is found particularly useful for expatriates' psychological well-being (Van Oudenhoven et al., 2003) and assignment completion (Caligiuri, 2000a). By contrast, several studies suggest that extroversion does not relate to home or host boss rated performance (Dalton & Wilson, 2000) or adjustment (Van Oudenhoven et al., 2003). Further, agreeableness does not relate to self-rated performance or adjustment either (Deller, 1997; Peltokorpi, 2008). Similarly, emotional stability is found useful for self-reported adjustment and assignment completion (Downes et al., 2010; Peltokorpi, 2008), but not for performance rated by host organizational members or headquarter supervisors (Huang et al., 2005; Shaffer et al., 2006).

The inconsistent results presented by previous studies present several gaps in this area. First, previous studies have employed expatriates from diverse countries of origin, and have used different criteria to measure expatriate performance which may explain the discrepancies. Table 2.1 indicates that the expatriate samples used in previous studies include those from the US, UK, Germany, France, Japan, Korea as well as Middle East countries. It is clear that most of those countries are developed countries, indicating a lack of research on expatriates from developing countries (i.e., African countries) or emerging markets (i.e., China, India, Russia, Brazil). Furthermore, it is evident that previous studies adopted variant measurement criteria for performance and adjustment. Some used expatriate self-reported performance (Downes et al., 2010; Huang et al., 2005; Peltokorpi, 2008) while others used supervisor-rated performance based on headquarters or host-boss rated performance (Caligiuri, 2000a; Dalton & Wilson, 2000). It is likely that home country supervisors and host employees might embrace different perceptions of expatriate performance and there could have been misunderstandings of what the criterion measure meant due to home and host cultural differences (Dalton & Wilson, 2000). As this is a limitation of previous studies, researchers (Goodall, 2002; Goodall et al., 2006; Ramalu et al., 2010) have called for a more integrated approach to measuring expatriate work outcomes by using multiple data sources and incorporating HCNs' evaluations which could make more theoretical and practical sense.

Another drawback of prior studies is that, while they investigate the relationships between personality and CCC, most studies ignore the situations in which those traits function. This problem might be partially related to the quantitative research designs

dominating this area (Peltokorpi, 2008; Shaffer et al., 2006) which are not suitable for providing rich descriptions about the context (Creswell, 2009). Given that socio-analytic theory originated from the domestic context (Hogan, 1996), it may not be suitably applied to cross-cultural contexts without modifications. There are more complex cross-cultural situations and different cultural environments in which personalities function, but previous studies failed to capture the influences of the cultural context on expatriate personality and CCC. The limitations of previous research provide a partial understanding of the influences of expatriate personality on CCC, which leave open space for future studies. In this study, the Chinese context was chosen from a methodological point of view with further explanations in Section 4.2.3.

Besides personality traits, the literature also suggests that several socio-demographic factors, including prior experiences, age, gender and marital status, can also serve as antecedents of expatriate CCC (Kim & Slocum, 2008; Lee & Sukoco, 2010; Selmer et al., 2000c; Selmer, Lauring, & Feng, 2009; Takeuchi, Tesluk, Yun, & Lepak, 2005). In the following sections, each of those factors is discussed in detail.

2.4.2 Prior Experiences

Empirical studies have suggested that prior experience of expatriates, such as working and living in the host country, have a positive impact on achieving CCC (Black, 1988; Kim & Slocum, 2008; Lee & Sukoco, 2010; Takeuchi et al., 2005). Logically, prior international experience, especially in the host country, should be associated with higher

levels of CCC, as past overseas experience not only enables expatriates to form more accurate expectations for the international transfer (Black, 1988), but also provides expatriates with direct opportunities to learn and further apply a variety of knowledge, skills and behaviours (Takeuchi et al., 2005). Crucial cross-cultural skills (e.g. cognitive skills, communication skills) are gained during expatriation and have a positive impact on CCC (Black, Mendenhall, & Oddou, 1991; Shaffer, Harrison, & Gilley, 1999; Takeuchi et al., 2005). Accordingly, prior international experience, particularly in the host country, plays an important role in explaining diverse behaviours and skill applications of expatriates (Kim & Slocum, 2008).

Selmer (2002), for example, explored the relationship between prior international experience and expatriates' social-cultural and psychological adjustment, studying Western expatriates assigned to Hong Kong. His findings indicate that previous postings to non-Asian countries had no effect on expatriates' socio-cultural adjustment while prior Asian experience has positive influence on the socio-cultural adjustment of expatriates who are on a foreign assignment less than one year. Takeuchi et al. (2005), similarly, surveyed 243 Japanese expatriates working in the US to examine the relationship between past international experience and cross-cultural adjustment. Their findings suggest that international work experience, specifically in the host country, has a significant positive influence on expatriates' cross-cultural adjustment. Kim and Slocum (2008) also report that prior working and living experience in the host country positively related to Korean expatriates' adjustment and performance in the US. By contrast, studying US and UK expatriates in Japan, Peltokorpi (2008) argues that

previous overseas work experience is not significantly associated with expatriates' adjustment.

Empirical studies in this area have not provided consistent results regarding the role of host country experience in expatriate adjustment, nor are they supported by any specific theories. This stream of research is mainly empirical driven, which results in an overly simplistic assumption that previous host country experience is positively related to expatriate adjustment or performance (Kim & Slocum, 2008; Lee & Sukoco, 2010). Kim and Slocum (2008) argue that appropriate types of international experience (i.e., work vs. non-work experience, long-term vs. short-term experience) in relation to assignment outcomes need to be addressed by researchers. Lee and Sukoco (2010) further point out that the role of prior international experience in current assignment outcomes is complex, because prior experience not only facilitates the current adjustment of expatriates, but also moderates the relationships between adjustment and expatriate performance.

Another limitation in the expatriate experience literature is that most of those studies have focused on expatriates from developed countries (Lee & Sukoco, 2010; Peltokorpi, 2008). This might provide only a partial understanding of the influence of prior experience on CCC, as expatriates from emerging or developing countries will have less international experiences compared to expatriates from developed countries due to the short history of firm internationalization (Parmentola, 2011; Teagarden & Cai, 2009;

Tung, 2007b; Zhang, 2007). Yet to date, prior experiences of current emerging market expatriates have not been examined.

2.4.3 Age, Gender, and Marital Status

Literature also suggests that age, gender, and marital status will influence expatriates' cross-cultural adjustment (Black, 1990; Selmer et al., 2009; Van Oudenhoven et al., 2003). This stream of research is also empirically driven and lacks consistency regarding the influence of those variables on expatriate CCC (Andreason, 2008; Niosi & Ted Tschang, 2009; Yuan & Pangarkar, 2010). In terms of age, for example, Selmer et al. (2000c) found that younger mainland Chinese expatriates are better adjusted in Hong Kong than their older counterparts. To the contrary, examining Western expatriate samples, Van Oudenhoven et al. (2003) suggest that older expatriates are more satisfied with their job and their lives compared to younger expatriates in Taiwan. Similarly, Selmer, Lauring and Feng (2009) examined business expatriates in Greater China (i.e., mainland China, Hong Kong, Taiwan, Singapore) and found older expatriates were perceived to have a better managerial performance than their younger counterparts. They argue that the positive relationship between expatriate age and performance is related to the Chinese culture that views age as a seniority and personal resource.

The findings on gender and expatriate CCC are also inconsistent. Selmer et al. (2000c) suggest that male expatriates would outperform female expatriates on international assignments based on their examination of expatriates in Hong Kong. By contrast,

based on the theory of socio-cultural adjustment, Nina and Yvonne (2010) argue that female expatriates fit in better than male expatriates, due to their higher level of interpersonal skills and benevolence. Different from previous findings, Caligiuri and Tung (1999) failed to identify any significant differences between men and women in either supervisor-rated performance or their desire to terminate the assignment, based on an examination of 98 expatriates from a US multinational. Similarly, Peltokorpi (2008) suggests no significant relationship between gender in expatriate adjustment while studying Western expatriates in Japan.

In addition, marital status is an important factor, with evidence that dissatisfaction of spouse/family results in expatriate failure (GMAC Global Relocation Services, 2008), and family adjustment has a direct influence on expatriate adjustment (Black & Gregersen, 1991). In a study of Western expatriates in Taiwan, for example, Van Oudenhoven et al. (2003) argue that married expatriates achieve higher levels of adjustment than expatriates who are single or separated. Similarly, Caligiuri et al. (1998) find that family support, family communication, family adaptability are positively related to expatriates' adjustment to working in the host country. In contrast, Shih, Chiang and Hsu (2010) argue that spouse adjustment problems will result in work-family conflict among expatriates, which further negatively impact on expatriate satisfaction and performance.

In summary, it is clear that personal attributes as antecedents of CCC comprise individual personality traits, prior experience, age, gender and marital status. Yet to date,

which attributes are the most important is still not clear in the literature (Downes et al., 2010; Johnson et al., 2006; Peltokorpi, 2008). Furthermore, most studies are driven by empirical evidence (i.e., quantitative survey data) as stated previously, and a theoretical foundation in this area is lacking and requires development (Lloyd & Härtel, 2010; Penney, David, & Witt, 2011; Perrewé, 2011; Ramalu et al., 2010; Shaffer et al., 2006). The limitations of previous research offer opportunities for future studies.

Apart from personal attributes, certain kinds of personal skills are also important antecedents of CCC (Johnson et al., 2006). The skill dimensions are discussed in the next section.

2.5   Personal Skills for Cross-cultural Competence

An extensive literature review was conducted by searching the management databases of Business Source Premier, Emerald and ProQuest, using relevant key words including "expatriate", and "skill/ability/capability/competency". In all, around 200 relevant articles were found, all published during 1970 and 2011. A critical analysis of those articles clearly indicates that four categories of important skills are needed by expatriates including self-maintenance, relational, perceptual, and communication skills. These skills were initially proposed by Mendenhall and Oddou (1985) and further developed and enriched by many following scholars (Graf, 2004; Leiba-O'Sullivan, 1999; Neupert et al., 2005; Peltokorpi, 2010; Seak & Enderwick, 2008; Shin, Morgeson, & Campion, 2006; Templer, 2010; Yamazaki, 2010; Yamazaki & Kayes, 2004). Most

of those studies adopted a learning perspective, namely social learning theory (Bandura, 1977; Bandura, 2002) and experiential learning theory (Kolb & Fry, 1975; Yamazaki & Kayes, 2004). The skills and the theoretical perspectives are discussed in the following sections.

2.5.1 Skill Categories

Managing within a different country/culture requires certain kinds of skills that may transcend the skills that are effective in the home country/culture (Black & Mendenhall, 1990; Mendenhall & Oddou, 1985; Peltokorpi, 2010; Yamazaki, 2010; Yamazaki & Kayes, 2004). Mendenhall and Oddou (1985) propose a three-dimension skill categorisation for the expatriate context, which includes self-maintenance skills, cross-cultural relationship skills, and perceptual skills. Self-maintenance skills serve to strengthen expatriates' mental health and self-confidence. These skills relate to expatriates' psychological well-being, stress reduction, feelings of self-confidence (Black & Mendenhall, 1990). The cross-cultural relationship dimension encompasses skills that enhance expatriates' ability to interact effectively with host-nationals, including relationship development and willingness to communicate. The perceptual dimension refers to the ability to make a correct perception of the host-nationals' behaviours and the host environment.

Leiba-O'Sullivan (1999) supports the above three categories and further refines the three dimensions as stress-management skills, conflict-resolution skills and perceptual-

questioning skills. The study particularly specifies the linkages between skills and personalities based on a cultural competency perspective. The author argues that the trait of emotional stability is significantly associated with the skills required to manage stress, extroversion and agreeableness are related to relational skills, and openness and conscientiousness are related to perceptual skills. Leiba-O'Sullivan (1999)'s work provides a more complete picture of how personality and skills are linked to CCC but the paper is conceptual and no empirical evidence is provided.

While several following studies have identified skills within the three-dimension framework, they emphasize one or two skill clusters as more important to CCC (Neupert et al., 2005; Seak & Enderwick, 2008; Templer, 2010). Brown (2008), for example, argues that expatriates tend to face more stress than domestic managers due to their relocation to a new environment and the subsequent problems of social isolation, family adjustment and uncertainties accompanying repatriation. Therefore stress management skills are more essential than other skill clusters in contributing to desired assignment outcomes. However, from the perspective of local subordinates, Templer (2010) suggests that, although other skill clusters are important, expatriates' relationship skills are perceived as the most important capability by local employees for unit performance. Neupert et al. (2005), who studied a group of international managers in Vietnam, also suggest that interpersonal skills are more important than self-maintenance skills. Different from previous findings, Seak and Enderwick (2008) emphasize only cultural sensitivity and understanding of the host culture which relate to perceptual skills without emphasizing the first two dimensions.

Besides those three major skill categories, several new skill dimensions are identified by Yamazaki and Kayes (2004) in a review study. The authors synthesized the literature and categorized the important skills for successful cross-cultural adjustment. It is noticeable that in their review, nearly half of the 32 studies focused on expatriates from the US, with the other half related to expatriates from Canada, Japan or European countries. Six dimensions of cross-cultural skills have been identified to be important for expatriates. These are interpersonal, information, analytic, action, communication and adaptive skills. The interpersonal skills resemble the relationship skills, and the adaptive skills refer to the ability to manage stress which is similar to self-maintenance skills. The information skills and the analytic skills can be categorized within perceptual skills as the former refers to the ability to collect information in order to get a correct perception of the host culture (i.e., the ability to understand host-nationals' non-verbal cues in communication) while the latter relates to translating complex information from the home language to the host language properly. Individuals with those kinds of skills demonstrate strong competency in the language of the host country and can effectively translate personal thoughts into host language.

Although there are overlapping between the six dimension and commonly cited three factors, two new skill dimensions had been identified including action skills and communication skills (Yamazaki & Kayes, 2004). Action skills refer to expatriates' ability to take action and manage others, such as taking responsibility for accomplishing tasks toward the organizational goals. This skill dimension relates to leadership skills which has been supported by a few studies (Neupert et al., 2005; Seak & Enderwick,

2008). For example, by studying expatriates in Vietnam, Neupert et al. (2005) define action skills as managing employees and providing leadership. However, this skill dimension is not supported by many other scholars (Graf, 2004; Leiba-O'Sullivan, 1999; Peltokorpi, 2010; Shin et al., 2006; Templer, 2010) who claim that leadership skills are professional skills rather than cross-cultural skills. Although professional skills such as technical competencies and leadership will distinguish managers in the domestic context, they may not be as crucial as cross-cultural skills in contributing to competency in a multicultural workplace.

Communication competencies act as an integral part of other skill clusters, as indicated by many scholars (Graf, 2004; Neupert et al., 2005; Peltokorpi, 2010; Seak & Enderwick, 2008; Shin et al., 2006; Templer, 2010; Yamazaki, 2010). Communication skills capture the features of language ability as well as the initiative to communicate with HCNs so as to obtain requisite information, solve problems, and maintain relationships (Yamazaki & Kayes, 2004). Particularly, given the use of communication as a basic mechanism though which cross-cultural interactions take place, such skills are argued to be the most important competencies which closely relate to other skill clusters (i.e., interpersonal skills, perceptual skills) (Seak & Enderwick, 2008). For example, Zhang and Zhou (2008) argue that communication skills play a significant role in managing local employees and conducting international business negotiations. Templer (2010) also regards communication skills as important competencies which complement relational skills.

Furthermore, Seak and Enderwick (2008) identify important skill sets needed by New Zealand expatriates while working in China. Their study was conducted on 40 New Zealand expatriates in China using an electronic mail questionnaire. They summarized their findings in a conceptual framework as below (see Fig 2.2). As shown in Fig 2.2, the results indicate that expatriates in China need to have four important skill sets, which are cross-cultural skills, cross-cultural communication skills, cross-functional skills and training skills. Cross-cultural skills are mainly concerned with the ability to understand cultural differences and core cultural aspects that have strong influence on business practices in China. Such skills are similar to perceptual skills discussed earlier. In order to achieve CCC, expatriates need to understand Chinese culture with specific attention to Confucianism, 'Guanxi 关系' （connections） and 'Mianzi 面子' (Face) (Seak & Enderwick, 2008). In addition, due to deficiencies in Chinese management such as 'people-based' rather than 'rule-based' managerial practices, expatriates are required to have cross-functional skills and training skills, which help to coordinate the work from every department and train the Chinese local staff effectively (Seak & Enderwick, 2008). The strength of this study is that in examining expatriate skills it includes cultural factors which have not been discussed before. However, this study has several limitations. First, the sample size (40 responses) is relatively small compared to other expatriate studies that usually have more than 100 respondents. Second, skills are explored through a questionnaire while the meanings of the skills are not well explained in the paper. Thirdly, this study relies on a single data source; it focuses on perspectives of expatriate managers rather than local employees.
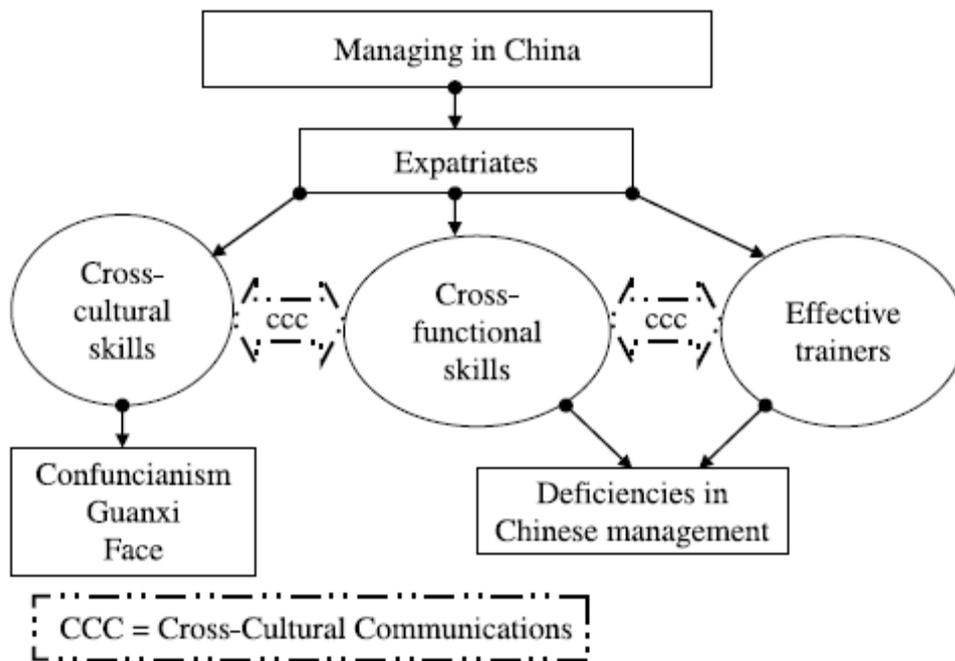
Figure 2.2. **New Zealand Expatriate Effectiveness in China**

Source: Seak and Enderwick (2008, p.1300).

Based on a detailed review of the literature, it is clear that expatriate managers are required to possess several kinds of skills in order to become cross-culturally competent (See Table 2.2 above). These skill sets include self-maintenance skills, interpersonal skills, perceptual skills, professional skills and communication skills. Table 2.2 summarizes relevant studies and lists detailed dimensions for each skill cluster.

Table 2.2 Summary of Cross-cultural Skills for Expatriates

Authors Skill Categories	Mendenhall and Oddou (1985) Black and Mendenhall (1990)	Leiba-O'Sullivan (1990)	Yamazaki and Kayes (2004)	Neupert, Baughn and Dao (2005)	Seak and Enderwick (2008)	Templer (2010)
Self-maintenance skills	Self-maintenance Skills • Stress reduction • Self-confidence	Stress-management Skills	Adaptive Skills • Managing stress			
Interpersonal skills	Relationship Skills • Building relationships • Willingness to communicate	Conflict-resolution Skills	Interpersonal Skills • Building relationships • Valuing people from different cultures	Interpersonal Skills		Relationship Skills
Perceptual skills	Perceptual Skills • Understanding host culture • Understanding host-nationals' behaviour	Perceptual-questioning Skills	Informational Skills • Understanding host culture Analytic Skills • Translating personal thought into host language	Cultural understanding and awareness	Cross-cultural Skills • Understanding host culture	
Professional skills			Action Skills • Taking action and initiative • Managing others	Professional Skills • Leadership • Managing employees	Training Skills • Training local employees	
Communication skills			Communication Skills • Initiating communication • Clearing up misunderstandings • Foundation of each skill set	Language and communication Skills	Communication Skills	Language competencies Communication skills

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In addition to an understanding of what cross-cultural skills are, a more important question needs to be aware of, that is, how those skills are developed in real cross-cultural situations. It is suggested that knowing a skill does not necessarily guarantee that individuals are skilled (Yamazaki, 2010). In expatriate literature, skill development is explained through a theoretical perspective of learning known as social learning theory (Bandura, 2002) which is discussed below.

2.5.2   Social Learning Theory

In the context of international assignments, expatriate skill development is grounded in a learning perspective guided by a range of learning theories such as social learning theory, social cognitive theory, and experiential learning theory. These theories are arguably homogenous in nature as they all explain skill development through learning of past experiences (Bandura, 2002; Yamazaki, 2010; Yamazaki & Kayes, 2004). In expatriate studies, the most widely used theoretical underpinning is social learning theory (Bandura, 1977; Bandura, 2002; Black & Mendenhall, 1990). Scholars argue that the central arguments of other theoretical perspectives (i.e., social cognitive theory, experiential learning theory), which relate to the role of learning in cross-cultural adaptation, is the same as social learning theory (Leiba-O'Sullivan, 1999; Yamazaki, 2010).

According to social learning theory (Bandura, 1977), learning is a central process of behavioural change and personal development. This theory posits that in cross-cultural

settings, the new environment provides ample opportunities for expatriates to learn from culturally-mediated host country experiences. Through direct and vicarious host experiences, expatriates adapt their anticipations which regulates their future behaviour and facilitate their adjustment (Bandura, 2002). Accordingly, the longer expatriates stay in the host country, the higher degree of adjustment is expected, due to greater accumulated experiences (Yamazaki, 2010). In particular, social learning theory identifies four fundamental elements in the learning process, which are attention, retention, reproduction, and incentives (Bandura, 1977). This process essentially describes the recognition of different behaviours in a foreign culture (attention), reflecting on and memorizing those behaviours (retention), reproducing learned behaviours (reproduction), and motivational factors that drive the whole learning process (incentives).

Based on social learning theory, a person-culture congruence model has been developed to explain the relationships between culture, learning, skill development and adjustment (Yamazaki & Kayes, 2004) (See Figure 2.3). This model suggests that when individuals meet a new culture, the differences between the individual's home and host cultures provide the stimuli for learning new skills and new behaviours to react appropriately to cross-cultural situations. While interacting with the host culture, expatriates gain more understanding of the new culture which leads to a continuous re-examination and modification of previously established assumptions and value systems (Chang, 2009). Learning from real-life experiences (i.e., cultural shock), expatriates gradually gain new perspectives for interpretation and new ways of interacting with locals (Varner &

Beamer, 2011). Step by step, they shift their cognitive frame to build cultural sensitivity and are able to communicate effectively in cross-cultural settings (Hammer, Bennett, & Wiseman, 2003). Yamazaki (2010) argues that the congruence between expatriate skills and host cultural requirements is the core essence of successful skill utilization that leads to expatriate adjustment. In other words, expatriates need to adapt existing skills and acquire new skills in order to fulfil social expectations of the host society to function effectively.
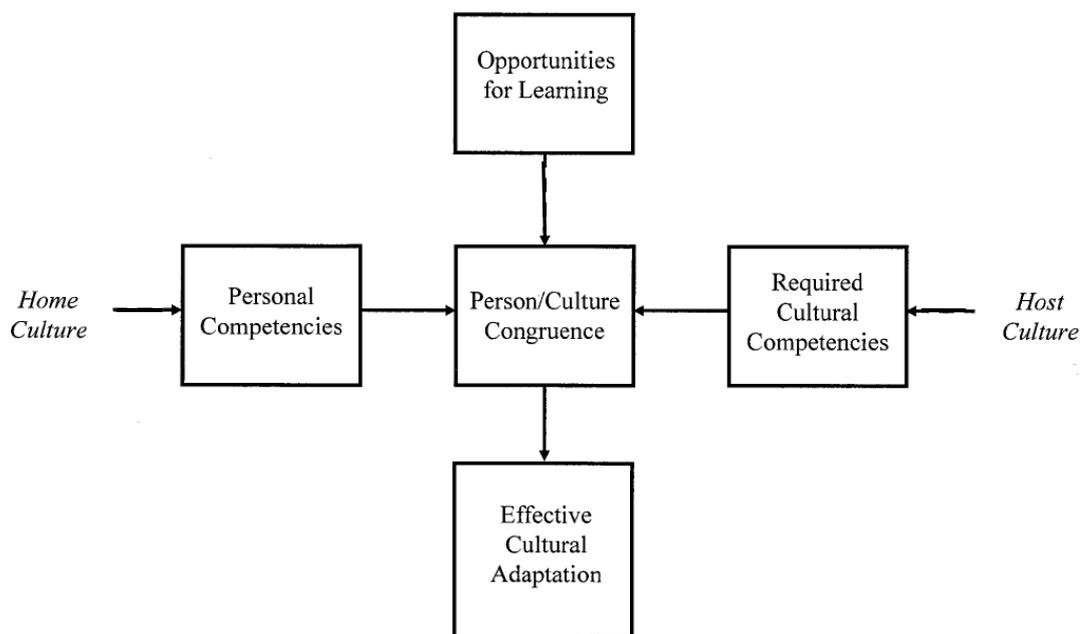
Figure 2.3 The Person-culture Congruence Model of Cross-cultural Learning

Source: Yamazaki & Kayes (2004, p. 367)

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Although this model indicates a learning perspective that can be used to explain the developmental process of expatriates' skill development and adaptation, it does not fully explore what specific cultural factors drive and reshape the learning process and the subsequent skill development. Yet, contextual differences between home and host countries not only set the scene for expatriate learning and adjustment, but also determine the learning process in terms of its outcomes (Black & Mendenhall, 1990). Several studies acknowledge the influence of home and host contexts on CCC, including the broader social, political, and economic environment (Zakaria, 2000), home and host cultural distance (Johnson et al., 2006) as well as host cultural factors (Seak & Enderwick, 2008). However, it is evident that this area still needs further investigation to elaborate various contextual factors and specify how those factors impact expatriate skills and CCC (Peltokorpi, 2010; Templer, 2010; Yamazaki, 2010). In the following section, a summary of the gaps in the CCC literature, which provides clear directions for future research, is presented.

2.6   Summary of Gaps in the Cross-cultural Competence Literature

As above, the CCC literature has been reviewed including the concept of CCC as well as the antecedents of CCC (i.e., personal attributes, personal skills). Several gaps emerged from the literature review. First of all, there is a clear theoretical gap regarding the explanation of how certain personal attributes and personal skills contribute to CCC. It is evident that the theoretical underpinnings adopted by expatriate studies (i.e., socio-analytic theory, social learning theory) are all borrowed from domestic studies which

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might not be completely suitable for cross-cultural contexts (Shaffer et al., 2006; Yamazaki, 2010). In addition, there are empirical inconsistencies with theoretical predictions, which indicate a need for further extension and refinement of theories to cover the empirical discrepancies.

Second, there are methodological constraints with previous studies. Most expatriate studies employed quantitative data using survey tools, which may not be able to capture the complex cross-cultural situations within which expatriates operate (Bjorkman et al., 2007; Goodall, 2002). Furthermore, most studies used expatriates' self-report of adjustment or performance and ignored HCNs' perceptions and reflections on expatriate CCC (Templer, 2010). In order to improve the quality of studies in this area, multiple sources of data and multiple research designs (i.e., qualitative, quantitative) should be included.

Third, the sample used by prior studies focused mainly on expatriates from developed countries, while expatriates from emerging markets or developing countries have rarely been examined. This gap also needs to be addressed as expatriates from emerging markets may be very different from those from developed countries due to their distinct home country environments and managerial practices (Dowling et al., 2008; Peng et al., 2008). Therefore, future studies should provide insights into expatriates from emerging or developing markets, using multiple data sources, and address the theoretical gaps on CCC.

2.7   Conclusion

This chapter has reviewed the literature on expatriate CCC and the antecedents of CCC on international assignments. The foci are on the definition and theoretical framework of CCC, the antecedents of CCC including personal attributes and personal skills, and how those antecedents function in leading to CCC using socio-analytic theory and social learning theory. A critical review of the literature has identified several gaps in this area relating to the incomplete theoretical underpinning of CCC, methodological deficiencies, and an emphasis on expatriates from developed countries due to the trend of internationalization. In order to address the above gaps, this study will use expatriates from China as an example to unveil CCC of emerging market expatriates. In the next chapter, the CCC of Chinese expatriates is reviewed to identify the research questions.

CHAPTER 3 CROSS-CULTURAL COMPETENCE OF CHINESE EXPATRIATE MANAGERS

3.1 Chapter Objectives

This chapter further explores CCC from an indigenous Chinese management perspective. Section 3.2 provides an overview of the internationalization process of Chinese companies and the Chinese expatriates managing Chinese MNEs' outward operations. Following that, Section 3.3 reviews the literature on CCC antecedents of Chinese expatriates, and identifies traditional Chinese personality and paternalistic leadership skills as potential influential factors on CCC. Research questions will be developed based on the gaps, and the overall theoretical framework will consequently be established in Section 3.4. Section 3.5 provides a brief summary of this chapter.

3.2 Chinese MNEs and Expatriates

3.2.1 Internationalization of Chinese Firms

Barely 50 years ago, China was considered a poor agricultural economy (Morck et al., 2008). With the 'Open Door' policy launched by the central government in the late 1970s, China began the process of integrating into the global economy, and this process was accelerated with accession to the World Trade Organization (WTO) in 2001 (Deng, 2004; Van Hoa, 2010). One special phenomenon that characterizes China's development path is the rapid internationalization of Chinese firms. According to the Ministry of Commerce of People's Republic of China (2010), the outward foreign direct

investment made by Chinese MNEs jumped from 0.92 billion US dollars in 2000 to 68 billion US dollars in 2010, making China the biggest investor among Asian countries, and the fifth biggest investor in the world. The average annual growth of Chinese FDI from 2002 to 2010 reached a high percentage of 129% (Ministry of Commerce of China, 2010).

The rapid internationalization of Chinese firms has caught the attention of many IB scholars who examined the unique motivations (Buckley et al., 2007; Deng, 2004, 2009; Knoerich, 2010; Morck et al., 2008) and internationalization path (Child & Rodrigues, 2005; Cui & Jiang, 2009; Lin & Fuming, 2010; Luo & Rui, 2009; Rugman & Li, 2007) of Chinese multinationals. The main issue being discussed in these studies is the relevance of transferring Western or mainly US-based FDI theories to the Chinese context (Luo & Rui, 2009). While challenging the mainstream FDI theories, researchers noted that Chinese FDI has characteristics similar to investments from emerging economies, which can be explained from both a resource-based perspective and an institution-based perspective (Child & Rodrigues, 2005; Deng, 2004; Luo & Tung, 2007; Peng et al., 2008).

From a resource-based perspective, Chinese FDI is undertaken not only to exploit ownership advantage (e.g., superior technology, engineering expertise and low-cost competitiveness) in other developing countries (Deng, 2003, 2004), but also to explore competitive assets in developed countries with a strategic intent to offset their latecomer position in global competition (Deng, 2009; Rui & Yip, 2008). The asset-seeking

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incentives motivate Chinese firms to follow an accelerated path of internationalization, which can be described as a 'springboard' (Luo & Tung, 2007) as opposed to the traditional, incremental internationalization pattern (Johanson & Vahlne, 1977). From an institution-based perspective, Chinese FDI is found to be strongly network-based, especially when investing in other Asia-pacific countries where business networks in alliances, ethnic and socio-cultural ties within the host country provide competitive advantages for Chinese firms (Buckley et al., 2007; Luo, 1997). Meanwhile, the Chinese government plays an important role in the decision-making of Chinese MNEs who have to comply with both home and host country institutions in FDI activities (Buckley et al., 2007; Child & Rodrigues, 2005; Globerman & Shapiro, 2009).

A review of the literature focusing on Chinese MNEs reveals that much attention has been devoted to the motivations (Liu et al., 2010; Pillania, 2009; Rui & Yip, 2008) and strategies (Niosi & Ted Tschang, 2009; Parmentola, 2011; Yuan & Pangarkar, 2010) of Chinese firms in their internationalization. Yet, little is known about how these firms manage their overseas operations after entry into foreign markets (Bunchapattanasakda & Wong, 2010; Luo & Tung, 2007; Teagarden & Cai, 2009; Tung, 2007b). It is argued that this gap needs to be addressed by investigating the challenges faced by Chinese MNEs in managing their global operations and overseas subsidiaries (Luo & Rui, 2009; Morck et al., 2008; Rui & Yip, 2008). In the following section, the challenges faced by Chinese MNEs are reviewed in order to identify specific gaps in the area of post-entry challenges.

3.2.2 Challenges Faced by Chinese MNEs

Using the same databases mentioned in Chapter Two, the key words of 'Chinese multinational firm/company/organization', as well as 'challenge/problem/difficult(y)ies' were used to search for relevant articles. The search identified 12 papers that are specifically associated with challenges faced by Chinese multinationals in their overseas operations. Based on those studies, challenges can be summarized into the following themes:

- The 'Negative image' of Chinese companies in a global arena (He & Lyles, 2008; Liang & Ren, 2010; Miller, 2009);

- Differences in organizational culture and managerial practice (Feng & Mu, 2010; He & Lyles, 2008; Morck et al., 2008; Tan, 2005);

- Lack of suitably qualified personnel who are cross-culturally competent (Shen & Edwards, 2006; Tung, 2007b; Wood & Mansour, 2010; Zhang, 2007).

The first significant challenge stems from the 'negative image' of Chinese companies in a global arena relating to ownership and product quality. First, the communist political regime in China is a major constraint for Chinese FDI, especially for the Chinese state-owned enterprises due to the negative impression of communism in Western countries (Liang & Ren, 2010). Based on an institutional perspective, Liang and Ren (2010)

suggest the rapid growth of Chinese MNEs might be perceived as an invasion of communist political power by other economies. Consequently, there is a primary fear factor among Western countries in dealing with Chinese investment. For example, attempts by Chinese companies to acquire foreign assets, such as CNOOC (China National Offshore Oil Corporation)'s attempt to buy Unocal (a US petroleum explorer) and Chinalco (Aluminium corporation of China)'s proposed investment in Rio Tinto (an Australian mining company), have eventually collapsed due to host governmental resistance and rejection (Miller, 2009). He and Lyles (2008) argue that distrust of Chinese investment is also associated with health, safety, and product quality issues. There has been growing concern about product quality, safety measures and intellectual property rights in the Chinese market, which has a direct negative influence on the reputation of Chinese companies in a global market (Chen, 2009).

The second major challenge relates to differences in organizational culture and managerial practices encountered in foreign markets. According to a survey of 150 Chinese companies operating overseas, 85% of overseas managers admitted that differences in corporate cultures and managerial styles are the main reasons for the failure of investment (Tan, 2005). For example, in 2004, a Chinese electronics manufacturer (the TCL Corporation) merged with a French company (Alcatel Mobile Phone Ltd) and became the world's seventh biggest mobile phone manufacturer. However, after merely seven months, TCL's president Li announced that it was an "unsuccessful merger" because of cultural incompatibility. All the senior managers and marketing personnel from Alcatel left T&A shortly after the merger. The most

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significant factor was a clash between the human-oriented management in Alcatel with the centralized decision-making in the Chinese firm (Tan, 2005). Morck et al. (2008) also suggest that substantial differences in culture and management issues pose major challenges for Chinese MNEs, as evidenced by the strikes and labour conflicts experienced by several Chinese acquired foreign firms. Similarly, He and Lyles (2008) studied Chinese companies investing in the US and found several empirical cases to support their argument that cultural differences pose competitive disadvantage for Chinese MNEs. However, studies are still lacking which investigate how cultural differences undermine Chinese managers' managerial effectiveness in cross-cultural workplace (Chen & Miller, 2010; Choo, Hendrik, & Keng-Howe, 2009; Tung, 2007b).

A final challenge for Chinese MNEs is the lack of suitable human resources to manage overseas assignments effectively (Tung, 2007b; Wood & Mansour, 2010). This challenge relates not only to the availability of managerial talent but also what types of skills they possess (Cai, 1999; Shen & Edwards, 2006; Wood & Mansour, 2010). Tung (2007b) points out that the shortage of suitable human talent to manage overseas assignments has restrained China's FDI aspirations and economic growth. Haier's CEO, Zhang Ruimin, states that "there is a wide gap between Chinese enterprises and major foreign companies – but it isn't mainly a technology gap. The key difference is in management talent" (Zhang, 2007, p.146). Recently, based on a review of existing literature, Wood and Mansour (2010) argue that Chinese managers on overseas assignments need to possess language competencies, cultural awareness, communication skills with home supervisors, and socialization capabilities with host

nationals. However, their arguments are not supported by any empirical evidence. To date, there is still a significant gap regarding the managerial effectiveness and cultural competence of Chinese managers on overseas assignments (Wood & Mansour, 2010).

In summary, Chinese MNEs face multi-level challenges including country-level difficulties in culture and individual-level talent shortages. Among those challenges, it is evident that the shortage of human resources is the most significant, as it relates to other challenges and could be the cause of other major challenges (Morck et al., 2008; Tung, 2007b; Wood & Mansour, 2010). Shen and Edwards (2006) suggest that expatriates are the major type of employee used in Chinese outward investment and more than 70% of senior executive positions in Chinese MNEs' overseas subsidiaries are occupied by Chinese expatriates. Similarly, Zhang (2003) examined Chinese subsidiaries in the UK and reported that most subsidiaries use Chinese expatriates at the management level. Due to the intensive use of expatriates on international assignments, it is important for those managers to possess CCC in order to address the talent and skill shortage of Chinese MNEs (Tung, 2007b; Wood & Mansour, 2010). Therefore, in the following section, a review of Chinese expatriates is provided.

3.2.3 Expatriates in Chinese MNEs

It is evident that the studies focusing on Chinese expatriates in Chinese MNEs are very limited in academic literature (Shen & Edwards, 2006; Wood & Mansour, 2010). An extensive search using various key words including "Chinese expatriate", or "China"

and "expatriate" have resulted in more than 500 articles. However, by reviewing the contents, it was found that most of the studies focused on expatriates in China (foreign personnel managing Chinese employees) rather than Chinese expatriates in foreign subsidiaries (Chinese personnel managing foreign employees). Due to very limited number of studies conducted, the studies under consideration were expanded to include mainland Chinese expatriates assigned to Hong Kong, as Hong Kong is not culturally homogenous to mainland China due to its connections with the UK (Wood & Mansour, 2010). However, studies on Chinese from the US assigned to China as expatriates were not included as overseas Chinese are culturally and mentally different from indigenous Chinese. In all, eleven studies were located and the major themes discussed in these studies could be classified as (1) expatriate failure, (2) selection and training, (3) spouse and family support, and (4) performance management. These four themes are summarized in Table 3.1 and discussed in detail below.

Table 3.1 Summary of Articles on Chinese Expatriates of Chinese MNEs

Category	Year	Theoretical linkages/Topics	Number of Articles
Expatriate Failure			*1*
Shen & Edwards	2006	Expatriate failure	
Selection and Training			*5*
Selmer, Ebrahimi, & Mingtao	2000a	Cross-cultural adjustment	
Selmer, Ebrahimi, & Mingtao	2000b	Career development	
Selmer, Ling, Shiu, & de Leon	2003	Cross-cultural adjustment	
Shen & Edward	2006	Selection	
Shen & Darby	2006	Training	
Spouse and Family support			*5*
Selmer, Ebrahimi, & Mingtao	2000a	Cross-cultural adjustment	
Selmer, Ebrahimi, & Mingtao	2000c	Personal characteristics	
Selmer, Ebrahimi, & Mingtao	2002	Career management	
Selmer, Ling, Shiu, & de Leon	2003	Cross-cultural adjustment	
Shen & Darby	2006	Training	
Shen & Edwards	2006	HRM in Chinese MNEs	
Adjustment and Performance			*4*
Selmer & Ling	1999	Cross-cultural adjustment	
Shen	2004	Reward and compensation	
Choo, Hendrik, & Keng-Howe	2009	Work values, Job satisfaction	
Wood & Mansour	2010	Adjustment and performance	

Expatriate Failure

Only one study examined failure rates of Chinese expatriates. In a study of ten Chinese MNEs, Shen and Edwards (2006) suggest that the average expatriate failure rate in Chinese MNEs is 4% defined as premature return. This rate is much lower compared to US expatriates, which is between 10% and 80% (Okpara & Kabongo, 2011). The reasons for expatriate failure include family-related and personal problems (i.e., resigning from the job during assigned period), inability of the expatriate to adapt to the new environment, emotional immaturity, lack of management competence and poor cross-cultural skills. Although some reasons have been identified, a limitation here is that the authors still use premature return to measure expatriate failure, which fails to show the effectiveness of expatriates as discussed previously. It is likely that due to the communist ideology and the centralized authority in Chinese companies, Chinese expatriates would be reluctant to return before the completion of assignments as this would result in a loss of reputation within the organization and a loss of trust from the authority (i.e., supervisors) (Shen & Edwards, 2006).

However, the low premature return rate may not necessarily mean a better job done by Chinese expatriates than their US counterparts, as those who do not return but are not competent on international assignments may do more harm to the organization (Harzing & Christensen, 2004). It is likely that Chinese expatriates would suffer from cultural barriers, emotional loneliness, and communication problems despite continuing to work on international assignments (Shen & Edwards, 2006). Yet to date, few studies have

been conducted to examine the incompetence rate of the Chinese expatriates from the perspective of cross-cultural management. Furthermore, few attempts have addressed the theoretical underpinnings of expatriate failure from the perspective of Chinese expatriates (Lund & Degen, 2010; Vogel & van Vuuren, 2008).

Selection and Training

Five studies have investigated selection and training of Chinese expatriates. Selmer and colleagues emphasized the importance of training for mainland Chinese expatriates assigned to Hong Kong (Selmer, Ebrahimi, & Mingtao, 2000a, b; Selmer et al., 2003). Following that, Shen and colleagues (Shen & Darby, 2006; Shen & Edwards, 2006) provide further details of selection and training in Chinese MNEs.

Based on the theory of cross-cultural adjustment (Black & Mendenhall, 1991), Selmer et al. (2000a) compared mainland Business Chinese expatriates working in Hong Kong and Western expatriates in Hong Kong. Their findings showed that Chinese mainland business expatriates were less well adjusted to work and life in Hong Kong compared to their Western counterparts. Their findings highlight the issue that more training needs to be offered to Chinese expatriates so that they can compete in a culturally diverse working environment. In a similar study, Selmer and colleagues (Selmer et al., 2003) further examined Chinese mainland expatriates in Hong Kong and also Hong Kong Chinese managers in the mainland. Their empirical evidence revealed that Chinese expatriates were selected based on their past work performance in China without any

test of potential useful attributes (i.e., cultural knowledge, cultural awareness). In addition, very little pre-departure training was offered by parent companies.

From a different perspective, Selmer et al. (2000b) investigated career development of Chinese mainland business expatriates in Hong Kong. They suggest that compared to Western corporations, Chinese MNEs generally provide less corporate support to Chinese expatriates relating to their career development. More corporate support activities, including individual career counselling, career testing, and mentoring programs, need to be provided to Chinese expatriates working in Hong Kong.

Shen and Edwards (2006) extend previous studies by suggesting that the selection of Chinese expatriates is solely made by senior executives in the headquarters, and 'guanxi' plays an implicit role in the selection process. The Chinese word 'guanxi' is defined as "established connections in order to secure favours in personal relationships" (Dunning & Kim, 2007, p. 329). As Chinese expatriates are not selected based on desirable cultural skills or traits but 'guanxi', it is likely that they may face serious difficulties in cross-cultural adjustment (Shen & Edwards, 2006). Similar to the preceding arguments, Shen and Darby (2006) suggest that Chinese MNEs provided very limited training to expatriates and no training to their spouses or families. The headquarters usually assume that managers who are effective at home would be effective abroad (Shen & Darby, 2006).

By reviewing prior literature on Chinese expatriates, Wood and Mansour (2010) suggest that prior studies do not use any framework for considering the type of training provided. Further studies are needed to provide a theoretical and systematic view of expatriate selection and training in Chinese MNEs (Wood & Mansour, 2010).

Spouse and Family Support

In a study of Chinese mainland expatriates in Hong Kong, Selmer et al. (2000c) suggest that expatriates who were accompanied by their spouse were better adjusted to Hong Kong compared to others. However, in a separate study (Selmer et al., 2000a), they indicate that more Western expatriates in Hong Kong are accompanied by spouse/family than in the case of Chinese expatriate managers. Further, Selmer and colleagues (Selmer et al., 2003) suggest that the wives of Chinese expatriates are not allowed to work in Hong Kong, and the education of their children is problematic. Therefore, the adjustment of Chinese expatriates might be affected by family problems.

Shen and colleagues (Shen & Darby, 2006; Shen & Edwards, 2006) extend previous studies by examining Chinese expatriates in a range of foreign markets rather than just in Hong Kong. Surprisingly, they found that only senior executives' spouses were financially supported for the relocation (Shen & Edwards, 2006). Generally, expatriates are not encouraged to bring their spouses with them and the parent company will not provide further financial support such as salary. In addition, children are not supported (i.e., education, living allowance) if they accompany their expatriate parents (Shen &

Darby, 2006). Chinese MNEs tend to regard it as unnecessary for a spouse to accompany expatriates due to the short duration of international assignments (usually 2-3 years on contract). They do not encourage the working spouse to give up their work in China (Shen & Edwards, 2006).

Prior studies suggest that the policies in Chinese MNEs regarding expatriate spouse and family are different from those used in Western MNEs (Selmer et al., 2000a). It is likely that due to separation from spouse and family, the married Chinese expatriates may experience more psychological stress and emotional loneliness in addition to cultural shock (Alserhan & Al-Waqfi, 2011; Selmer et al., 2000a, c; Shen & Edwards, 2006). Yet to date, there is still a lack of understanding regarding how corporate policies affect expatriate families and expatriate performance within the context of Chinese MNEs (Wood & Mansour, 2010). Scholars are calling for more theoretical and empirical evidence on the spouse and family issues of Chinese expatriates (Shen & Darby, 2006; Shen & Edwards, 2006; Wood & Mansour, 2010).

Performance Management

Only a few studies have investigated performance of Chinese expatriates in their overseas operations. Shen (2004) suggests that the low expatriate failure rate (4%) could be attributed to the financial and promotion rewards for working hard on assignments and accepting short-term assignments. Wood and Mansour (2010) further suggest that the use of objective, straightforward performance appraisals would lead to better

performance of Chinese expatriates. The above two studies examined performance management of Chinese expatriates from the perspective of headquarters, but they ignored the managerial effectiveness from a cross-cultural perspective (i.e., managing host employees). Although Choo, Hendrik and Keng-Howe (2009) examine job satisfaction of Chinese expatriates in Singapore, their research context is not within Chinese MNEs and therefore the study examines Chinese expatriates as employees rather than managers.

In summary, research on Chinese expatriates is sketchy and loose in nature (Wood & Mansour, 2010). Particularly, the above review suggests that studies cover a very limited area of expatriate research (i.e., selection, training, family support, and performance management). Further, the theoretical perspectives used are mainly borrowed from US-oriented expatriate management literature such as theory of adjustment (Selmer et al., 2000a). The more challenging issues of how to manage local workforce and how to develop CCC have not been examined (Tung, 2007b; Wood & Mansour, 2010). This gap needs to be addressed as developing CCC is identified as the major barrier faced by Chinese expatriates to becoming successful international managers (Battat & Aykut, 2005; Tan, 2002; Wood & Mansour, 2010). Furthermore, Chinese expatriates are very different from Western expatriates as they not only receive very little training (Selmer et al., 2003; Shen & Edwards, 2006), but they also may not be accompanied by spouse or family (Shen & Edwards, 2006). In the following section, a review of CCC focusing on Chinese expatriate managers is provided to highlight relevant research themes and gaps.

3.3 Study on Cross-cultural Competence of Chinese Expatriates

As discussed in the last section, studies into the CCC of Chinese expatriates is lacking in the extant literature and therefore needs particular research attention (Tung, 2007b; Wood & Mansour, 2010). Due to the paucity of studies available, the literature review is extended to include potential CCC antecedents in the indigenous Chinese context. These are personal attributes (i.e., personality, age, gender) and personal skills (i.e., leadership styles) of Chinese managers in their business operations at home. The rationale behind this is that home country environment and practices will to a certain extent shape individuals' mindsets and value systems, which in turn could affect individuals' behaviour in a foreign culture (Fang, 2010; Taras, Steel, & Kirkman, 2010). This assumption is based on the value theory of culture (Hofstede, 1980), which emphasizes context-bounded individual values and workplace behaviours. In the following section, Chinese indigenous personality and leadership styles are reviewed as potential influential factors on CCC among Chinese expatriates.

3.3.1 Research on Personality in China

Researchers have spent decades studying Chinese individual personality by questioning the transferability of Western-originated personality structures (i.e., the five factor model) to the Chinese context (Cheung, 2004; Luk & Bond, 1993; Zhou & Shi, 2009) and by identifying a distinctive personality structure that is unique to the broader Chinese society (i.e., mainland China, Taiwan, Hong Kong) (Wong et al., 2010; Yang

& Bond, 1990). This stream of research focuses on recognizing the Chinese psychological and behavioural attributes that are manifested in Chinese everyday life, and understanding more about the "psychological mechanisms underlying Chinese people's changes from traditional to modern needs, attitudes, beliefs, values, temperaments, and behaviours" (Yang, 2003, p.264). Hwang (2003b) notes that Chinese individual attributes represent cultural-bound personality traits, wherein such traits are formed in the particular socio-cultural environment of China and are closely related to the Chinese cultural traditions (i.e., Confucianism, Taoism, Legalism, Buddhism). In order to provide a comprehensive understanding of the indigenous personality structure of the Chinese people, a critical literature review is presented below focusing on salient Chinese psychological attributes and the broad social-cultural relations embedded in the Chinese society.

Chinese Indigenous Personality

Since the early 1990s, Bond and his colleagues have translated the measure of the "Big Five" model from English to Chinese and collected data in Hong Kong to examine the applicability of the imported instruments in the Chinese population (i.e., Luk & Bond, 1993). By distributing questionnaires to a sample of 352 Chinese students, they found that the internal consistency of the five factors is reasonably high (0.91 for Conscientiousness, 0.82 for Agreeableness, 0.79 for Openness, 0.92 for Emotional Stability, and 0.85 for Extroversion) which provides direct evidence on the generalizability of the five factor structure to the Chinese sample. However, as later

noted by McCrae, Costa and Yik (1996), "the fact that the FFM [Five Factor Model] can be replicated in Chinese samples does not necessarily mean that the model provides the most natural or useful way to describe personality in Chinese population, nor does it imply that the five factors are fully comprehensive" (p. 198). Indeed, contemporary Chinese individuals have not only accommodated the traditional culture, but also the Western culture (Bond & Yang, 1982) as a result of societal modernization during the past half century. Therefore, it is likely that imported Western personality instruments could capture the Westernized Chinese personality structure, but not necessarily the traditional Chinese personality structure (McCrae et al., 1996).

Yang (2003, p.265) introduced the concept of Chinese individual traditionality as "the typical pattern of more or less related motivational, evaluative, attitudinal and temperamental traits that is most frequently observed in people in traditional Chinese society and can still be found in people in contemporary Chinese societies such as Taiwan, Hong Kong, and mainland China". Based on empirical studies (Farh, Hackett, & Liang, 2007; Yang, 2006), five oblique factors have been identified to represent the Chinese individual traditionality, which includes submission to authority, filial piety and ancestor worship, conservatism and endurance, fatalism and defensiveness, and male dominance. The corresponding modernity traits are egalitarianism and open-mindedness, social isolation and self-reliance, optimism and assertiveness, affective hedonism, and sex equality (See Table 3.2).

Table 3.2 Five Oblique Factors for Traditionality and Modernity

Traditionality factors	Modernity factors
Submission to Authority	Egalitarianism and Open-mindedness
Filial Piety and Ancestral Worship	Social Isolation and Self-reliance
Conservatism and Endurance	Optimism and Assertiveness
Fatalism and Defensiveness	Affective Hedonism
Male Dominance	Sex Equality

Source: Yang (2003, p. 267)

This study focuses on the traditional Chinese personality as Hwang (2003a) argues that the traditional personality factors are cultural-dependent as opposed to cultural-free traits (i.e., modern personality) because they are closely related to the Chinese Confucian traditions. Wong et al. (2010) argue that Confucianism, which is the most influential cultural tradition, has taught the Chinese for more than two millennia how to think, feel and behave. This is despite the coexistence of other systems of thoughts (i.e., Buddhism, Taoism) in China. For example, the Chinese psychological traditionality factors of submission to authority and filial piety are deeply embodied in the salient feature of Confucian societies emphasizing a hierarchical ranking of authority in the family, in educational, and in socio-political institutions (Ho, 1995). Obedience is the basic idea of Confucian filial piety, which provides enduring and invariable moral guidelines governing intergenerational relationships and social behaviours in the Chinese culture (Gow, Balla, Kember, & Hau, 1996). Ho (1996) argues that such moral

guidelines are a potential determinant of supervisor-subordinate interactions. Similarly, Cheng and colleagues (Cheng, Chou, Wu, Huang, & Farh, 2004) found that submission to authority is a significant attribute of the paternalistic leadership style, which is widely practiced in Chinese business organizations and which strongly influences Chinese subordinates' responses to authority. Compared to the other four factors, it is clear that submission to authority is the most prominent psychological factor in determining Chinese workplace behaviour (Farh et al., 2007).

Besides submission to authority, research on other indigenous traits seems lacking (Chen & Aryee, 2007; Farh et al., 2007). Particularly, although there are explicit cultural connections of those traits to Confucianism, the influence of those traits on Chinese workplace behaviour remains implicit in literature. For example, the psychological characteristics of conservatism, fatalism and defensiveness are closely related to the 'past orientation' of the Chinese who respect their history and are taught to follow the steps of their forebears (Ho, 1994, 1996). On the other hand, the trait of endurance is connected with the Confucius taught of appropriate behaviours, especially the need to control internal impulses in order to comply with the moral guidelines such as authoritarianism and harmonious interpersonal relationships (Gow et al., 1996). However, the influence of those traits on work performance has not been examined, nor is it clear how those traits will function in the development of CCC among Chinese expatriates.

Theoretical Underpinning: Cultural-ecological Interactionistic Theory

Yang (1996; 2006) puts forward a cultural-ecological interactionistic theory of psychological transformation to explain the Chinese indigenous personality. According to this theory, "as a result of the continued societal modernization, the modern psychological characteristics of people in all contemporary societies will only partially converge and the traditional psychological characteristics will only partially diverge" (Yang, 2003, p.280). Therefore, the traditional aspects and modern aspects of psychological attributes will continue to coexist. Based on this theoretical argument, Chinese contemporary personality will still have the traditional characteristics that influence work place behaviour. This is consistent with Ralston and colleagues' (Ralston, Egri, Stewart, Terpstra, & Yu, 1999; Ralston, Holt, Terpstra, & Yu, 2008) findings on work values of the new generation of Chinese managers. The findings indicate that Chinese managers of the new generation are more individualistic and more likely to act independently, while at the same time not forsaking their Chinese traditions.

Recently, Wong et al. (2010) examined the Chinese managers' personality using a sample of Taiwan Chinese managers. Their findings are consistent with the cultural-ecological interactionistic theory (Yang, 2006) discussed previously, which confirmed the coexistence of both traditional and modern aspects of personality traits in contemporary Chinese society. The findings imply that the traditional Chinese personality has been gradually eroding, for example male-dominance is a much weaker influence. However, some elements are still strongly in evidence (i.e. submission to

authority). Wong et al.'s study calls for more research on Chinese personality under the influence of globalization and the evolution of the Chinese cultural and value systems.

Studies on Chinese traditional personality are not without limitations. Theoretically, the cultural-ecological interactionistic theory is an indigenously developed theory based on empirical findings (Wong et al., 2010; Yang, 2003). Yet, there is insufficient integration of this theory with the mainstream personality literature and theories (i.e., socio-analytic theory), resulting in a separation between Chinese personality studies and cultural-free personality studies. Furthermore, the interaction between the Chinese traditional personality and modern personality concepts (i.e., the Big Five Model) has not been specified in the literature. Empirically, Chinese personality studies have focused on the cultural roots of individual traits but have largely ignored the influence of traditional traits on work outcomes, which might be potentially more useful for management studies (Chen & Aryee, 2007). Particularly, with the rapid internationalization of Chinese firms, personality studies should be extended to business operations with a global scope with emphasis on Chinese managers' competence in a cross-cultural context.

3.3.2   Socio-demographic Factors of Chinese Expatriates

As discussed previously in Section 3.2.3, studies that have examined socio-demographic factors of Chinese expatriates in relation to their adjustment and performance are lacking. In the following sections, prior international experience, age, gender, and

marital status of Chinese expatriates are reviewed to explain the relationships between these factors and CCC.

Prior International Experience

It is noticeable that many Chinese expatriates may not have had the opportunity to gain international experience prior to their current expatriation, due to the late internationalization of Chinese firms (Luo & Rui, 2009; Luo & Tung, 2007; Rui & Yip, 2008). This indicates that most Chinese MNEs are short of human talent who possess suitable competencies gained from international work experiences (Zhang, 2007). Also, as discussed in Section 3.2.3, none of the studies on Chinese expatriates examined expatriates' previous international experience as an antecedent of current performance.

Besides prior international experience, it is likely that international joint venture (IJV) experiences of Chinese firms could serve as an advantage for Chinese expatriates in developing their CCC. With the 'Open Door' policy and the revival of the domestic economy, China is becoming increasingly attractive for foreign investment (Sun, 2011). Many Chinese indigenous companies have the opportunity to form IJVs with globally competitive MNEs, benefiting from knowledge and managerial skills transfer (Li, Zhou, & Zajac, 2009; Rui & Yip, 2008). Meanwhile, Chinese indigenous managers learn from Western business partners in terms of management practices and communication styles (Chen, Paik, & Park, 2010; Li et al., 2009). Therefore, it is likely that Chinese

managerial staff will benefit from domestic IJV experience and become more competent in managing cross-cultural situations.

Age, Gender and Marital Status

Studies (Selmer et al., 2009; Zhang & Goza, 2006) on domestic Chinese firms reveal that age is perceived as conferring one's social status and is associated with possession of personal resources such as social networks and seniority in a professional area. Therefore, age is generally respected in the Chinese workplace (Selmer et al., 2009). Although there is no theoretical foundation regarding whether the attitude towards old age may carry over to the Chinese expatriate population, empirical evidence suggests contrasting findings (Selmer et al., 2000c). Selmer et al. (2000c) found that younger and male Chinese mainland expatriates are better adjusted in Hong Kong than their elder and female counterparts. In terms of marital status, only senior managers' spouses are financially supported by companies to accompany the expatriate manager (Shen & Edwards, 2006).

Due to the lack of theoretical underpinnings, it is difficult to conclude whether socio-demographic factors will have a significant influence on CCC development, and which factors relate to higher CCC of Chinese expatriates. These gaps need to be addressed by future studies. In the next section, Chinese indigenous managerial skills are reviewed as another set of potential antecedents of CCC.

3.3.3 Chinese Indigenous Managerial Skills

Literature suggests that the managerial styles of business managers in China differ significantly from those in the West (Cheng et al., 2004; Kong & Gao, 2009). There are distinct leadership concepts and attributes in the indigenous Chinese management context due to the influence of the traditional cultural values of Confucianism (Li, 1984; Selvarajah & Meyer, 2008; Wang, 2011) and Communist ideology in contemporary China (Fu & Tsui, 2003). Although recently, with the open door policy implemented, the influence of modern Western managerial skills on Chinese management practices is increasing, it is evident that Confucian values and Communist ideology still play a large role in contemporary Chinese leadership and managerial styles (Selvarajah & Meyer, 2008; Wang, 2011).

Theoretical Underpinning: Paternalistic Leadership

The theoretical foundation of Chinese managerial skills is the paternalistic leadership style, which is an indigenous concept developed from empirical Chinese management studies (Chen & Kao, 2009; Cheng et al., 2004). According to Farh and Cheng (2000), paternalistic leadership style is a style that combines "strong discipline and authority with fatherly benevolence and moral integrity couched in a personalistic atmosphere" (p.84). Paternalistic leadership comprises three stylistic dimensions, which are authoritarianism, benevolence, and moral leadership (Cheng et al., 2004). Authoritarianism refers to a leader's managerial style that asserts strong authority and

control over subordinates and demands absolute obedience from subordinates (Farh & Cheng, 2000). Benevolence deals with kindness, love, forgiving, caring, and sensitivity to subordinates (Fernandez, 2004). Leaders show holistic concern for subordinates' personal and familial well-being, respect their followers, and are expected to sacrifice themselves for their followers (Fu & Tsui, 2003). Moral leadership describes a leader as "sage-like", which requires the leader to possess superior personal virtues, self-discipline, and unselfishness to maintain social order and set an example for subordinates (Cheng, Chou, & Farh, 2000).

The managerial skills required by paternalistic leadership are different from personal skill categories developed from Western business organizations. For example, Cheng and colleagues (Cheng, 1996; Cheng et al., 2000) developed a three-dimension scale to examine the skills required for paternalistic leadership which has been widely supported by subsequent studies (Chen & Kao, 2009; Cheng et al., 2004). Based on a survey of thousands of middle-level managers and employees across various business organizations in a range of East and South Asian countries (e.g., mainland China, Taiwan, Singapore), Cheng et al. (2000) confirmed the three dimensions of paternalistic leadership using exploratory and confirmatory factor analyses. According to their findings, benevolent leadership contains favour granting (*shi-en* 施恩) skills, and the effective managerial behaviours include 'understanding and forgiving', and 'individualized care'. Moral leadership comprises skills of setting an example (*li-de* 立德), such as 'integrity and fulfilling one's obligations', 'keeping promises', and 'selfless

and paragon'. Authoritarian leadership entails skills of inspiring awe or fear (*li-wei* 立威), including 'authority and control', 'rigorousness' and 'powerfully subduing'. The scale has excellent construct validity and internal consistency.

The theoretical perspective of paternalistic leadership (Cheng et al., 2000) also encompasses the cultural and ideological origins of effective leadership in China (Farh & Cheng, 2000). It is suggested that paternalistic leadership (i.e., authoritarian, benevolent, and moral leadership) mainly stems from Confucian values and Communist ideology (Fu & Tsui, 2003). Farh and Cheng (2000) suggest that authoritarian leadership is deeply rooted in the Confucian values of cardinal relationships, especially the father-son relationship. Under Confucian ethics, a father has absolute authority over his children and possesses unquestionable power and legitimacy. The reflection of the father-son relationship in an organizational context is the absolute power and control held by the leaders, and the obligated obedience to authority by subordinates (Cheng et al., 2000).

Benevolent leadership originated from the Confucian norms of reciprocity, which stresses that superiors are obliged to reward the loyalty and obedience of subordinates by protecting them and bestowing blessing on them (Cheng et al., 2004). This is important as in a society governed by people rather than by laws and regulations, the obligation to repay favours interpersonally can be a moral guideline substituting for formal institutional support (Peng et al., 2008). Reciprocity is widely practiced in China

as reflected in the popular concept of *guanxi* (relationships) and *guanxiwang* (relationship networks) based on reciprocal obligations (Chen, Chen, & Xin, 2004). In the context of organizations, effective leaders are expected to perform reciprocal obligations by being benevolent and concerned for the needs of their subordinates.

The moral component of Chinese leadership is embedded not only in the Confucian precepts, but also in Communist ideology (Fu & Tsui, 2003; Hui & Tan, 1999). Confucius teaches people to put collective interests ahead of individual interest, and stresses that individuals should be judged more by virtue than by competence/performance (Cheung & Chan, 2008). Following such values, the Chinese leader is expected to be a paragon, with high virtue and moral standards (Cheng et al., 2000). Furthermore, Communist ideology has further reinforced the moral leadership. According to the Chinese Communist Party Constitution (1997), party members must serve the people whole-heartedly and be prepared to sacrifice themselves when faced with danger or difficulties. As most Chinese managers in business organizations are party members, they define themselves as servant of the people (*gong-pu* 公仆) to show their willingness to serve the people (Morck et al., 2008). The Communist ideology also requires the Chinese to work hard, resist corruption, and be loyal to the Party (Fu & Tsui, 2003). In order to be an effective leader, such moral requirements need to be incorporated into the leader's behaviours in order to gain respect and trust from their followers (Chen & Kao, 2009).

Empirical Evidence

Extant empirical studies on Chinese managers have covered several areas including paternalistic leadership and its influences in the workplace (Chen & Kao, 2009; Cheng et al., 2004; Fu, Chow, & Zhang, 2002), managerial values and beliefs (Ralston et al., 1999; Ralston et al., 2008; Zhang, Chen, Liu, & Liu, 2008), effective managerial behaviours (Hui & Tan, 1999; Selvarajah & Meyer, 2008; Wang, 2011), management development (Wang & Wang, 2006), and managers' roles in organizational change (Kong & Gao, 2009). These studies generally support the theoretical argument that Chinese management is strongly influenced by the paternalistic leadership style and Confucian values (Wang, 2011).

Cheng et al. (2004), for example, suggest that paternalistic leadership is a prevailing leadership style widely practiced by managers of business organizations in mainland China, Taiwan, Hong Kong, and Singapore. Fu, Chow and Zhang (2002) studied one element of paternalistic leadership, which is authoritarian leadership, and found that authoritarian leadership could improve organizational performance on one hand, but negatively affect Chinese subordinates' satisfaction on the other. Similarly, based on a sample of 160 non-Chinese subordinates in 31 overseas subsidiaries of Chinese MNEs, Chen and Kao (2009) found that the authoritarian style of the paternalistic leadership contributed negatively to psychological health in the workplace. By contrast, studies on the benevolent and moral styles of the paternalistic leadership revealed conflicting results. Cheng et al. (2004) examined Chinese subordinates' perceptions of the

paternalistic leadership and found that benevolent and moral leadership styles generally facilitate employee satisfaction, employee commitment, and subordinate performance. By contrast, a recent study of non-Chinese subordinates' perceptions of the paternalistic leadership suggests that the moral style of leadership negatively relates to subordinates' psychological health (Chen & Kao, 2009), revealing different findings from previous studies.

Given the lack of studies which have examined the managerial skills (i.e., the paternalistic leadership skills) of Chinese managers, it is clear that further research is needed to verify the influence of paternalistic leadership on managerial effectiveness in domestic as well as in cross-cultural contexts (Cheng et al., 2004; Pellegrini, Scandura, & Jayaraman, 2010; Soylu, 2011). Given the rapid growth of Chinese MNEs and the urgent need for qualified managers to manage across cultures (Chen & Kao, 2009), research attention should be paid to the transferability of indigenous Chinese managerial skills to overseas subsidiaries.

3.3.4   Gaps and Research Questions for the Study

In previous sections, the CCC antecedents from the perspective of Chinese managers have been reviewed including the Chinese indigenous personality, socio-demographic factors of Chinese expatriates, and the managerial skills of Chinese managers. Based on the critical literature review, several gaps can be identified that deserve further research.

Theoretically, the insufficient integration of Chinese management theories with the mainstream CCC literature has resulted in a compromised understanding of CCC, only from the Western perspective. It is evident that studies on context-embedded antecedents of CCC from a Chinese perspective are based on indigenous theories (i.e., cultural-ecologically interactionistic theory, the paternalistic leadership theory) without linking to theories discussed in the mainstream CCC literature (i.e., socio-analytic theory, social learning theory). Therefore, the theoretical development of CCC might be hampered due to the lack of theoretical support from the Chinese perspective (Chen & Kao, 2009; Johnson et al., 2006). This theoretical gap needs to be addressed by exploring the development of CCC by Chinese expatriates in order to refine mainstream CCC theories into the Chinese context by incorporating Chinese indigenous management theories.

Empirically, prior studies on Chinese personality and managerial skills are based on domestic firms within the Chinese context. However, the influence of those indigenous factors on CCC development among Chinese expatriates has not been explored. Scholars (Chen & Kao, 2009; Wang, 2011) argue that Chinese expatriates' behaviours are deeply embedded in the indigenous Chinese management practices and deserve particular research attention. Yet to date, no studies have examined whether indigenous personalities or skills assist or suppress CCC development of Chinese expatriates. Due to the rapid internationalization of Chinese firms and their shortage of suitable human resources to manage cross-borders (Tung, 2007b), the lack of research on CCC need to be addressed theoretically and empirically.

Based on the CCC literature discussed in Chapter 2 and the indigenous Chinese management literature discussed in Chapter 3, two sets of research questions are developed to further explore expatriate CCC from the Chinese perspective.

RQ1: What personal attributes contribute to the CCC of Chinese expatriate managers?
RQ1a: From the perspective of Chinese expatriate managers, what personal attributes are antecedents of CCC?
RQ1b: How do those attributes contribute to CCC in Chinese expatriates' cross-cultural management in overseas subsidiaries?

RQ 2: What personal skills contribute to the CCC of Chinese expatriate managers?
RQ2a: From the perspective of Chinese expatriate managers, what personal skills are antecedents of CCC?
RQ2b: How do those skills contribute to CCC in Chinese expatriates' cross-cultural management in overseas subsidiaries?

In order to understand CCC from a Chinese perspective, it is crucial to understand the dimensions of what personal attributes and skills are necessary for CCC as well as how the personal attributes and skills are used in cross-cultural contexts. Drawing on the

critical literature review presented above, a conceptual framework is developed to provide a cognitive map of the study and to guide research designs. This is presented in the next section.

3.4   Conceptual Framework

In this section, the overall conceptual framework is developed based on the preceding literature reviews. In Chapter 2, the concept of CCC and the antecedents of CCC have been discussed, revealing the theoretical deficiencies, empirical inconsistencies, and primary dependence on Western expatriates in the literature. In Chapter 3, the CCC related concepts (i.e., personality, skills) are localized to the Chinese context but the transferability of Chinese indigenous theories to cross-cultural contexts still needs to be examined. This study combines the CCC literature developed from Western countries with the Chinese indigenous management literature to propose an overall conceptual framework of Chinese expatriates' CCC on international assignments. In doing so, the context-free and context-embedded traits and skills recognized as antecedents of CCC are initially proposed based on the literature for further investigation.

The constructs and concepts used in this study are delineated and summarized in Table 3.3. This leads to a conceptual framework (See Figure 3.1) to guide the research design and the data collection.

Table 3.3 Delineations of Concepts and Theories in the Development of the Conceptual Framework

Constructs & Concepts	Definitions	Key Studies	Theoretical Support
Cross-cultural competence	An individual's effectiveness in drawing upon a set of knowledge, skills, and personal attributes in order to work successfully with people from different national cultural backgrounds at home or abroad	Leiba-O'Sullivan (1999) Johnson et al. (2006) Bucker & Poutsma (2010)	Conceptualization of CCC
Personal Attributes			
(1) Context-free traits			
Conscientiousness	The extent to which individuals are careful, disciplined, and dependable	Huang et al. (2005) Shaffer et al. (2006) Peltokorpi (2008) Downes, Varner, &Hemmasi (2010)	The Big Five Model Socio-analytic theory
Openness	The tendency to be innovative, original, flexible and open to	Huang et al. (2005) Shaffer et al. (2006)	The Big Five Model Socio-analytic theory

	different ideas	Peltokorpi (2008) Downes, Varner, &Hemmasi (2010)	
Agreeableness	The tendency to be pleasant and accommodating in social situations	Huang et al. (2005) Shaffer et al. (2006) Peltokorpi (2008) Downes, Varner, &Hemmasi (2010)	The Big Five Model Socio-analytic theory
Emotional stability	The tendency to experience positive emotions and remain calm in stressful situations	Huang et al. (2005) Shaffer et al. (2006) Peltokorpi (2008) Downes, Varner, &Hemmasi (2010)	The Big Five Model Socio-analytic theory
Extroversion	The tendency that individuals enjoy and be energized by interacting with others	Huang et al. (2005) Shaffer et al. (2006) Peltokorpi (2008) Downes, Varner, &Hemmasi (2010)	The Big Five Model Socio-analytic theory
(2) Context-embedded traits			
Submission to Authority	A clear hierarchical ranking in the workplace and the absolute obedience to authority	Yang (2003) Farh et al. (2007) Wong et al. (2010)	Chinese traditionality Cultural-ecologically interactionistic theory
Filial piety	Obedience to elderly generation in the family	Yang (2003) Farh et al. (2007) Wong et al. (2010)	Chinese traditionality Cultural-ecologically interactionistic theory

Conservatism	The respect for history and the willingness to follow believes of forebears	Yang (2003) Farh et al. (2007) Wong et al. (2010)	Chinese traditionality Cultural-ecologically interactionistic theory
Endurance	The tendency to control internal impulses in order to comply with moral guidelines (i.e., authoritarianism, harmonious relationships)	Yang (2003) Farh et al. (2007) Wong et al. (2010)	Chinese traditionality Cultural-ecologically interactionistic theory
(3) Socio-demographic factors	Factors that delineate individual differences in terms of age, gender, marital status etc.	Takeuchi et al. (2005) Kim and Slocum (2008) Selmer, Lauring and Feng (2009)	Mainly empirical driven Cultural value theory
Personal Skills			
(4) Context-free skills			
Self-maintenance skills	The ability to strengthen mental health and self-confidence	Black and Mendenhall (1990) Yamazaki and Kayes (2004) Yamazaki and Kayes (2010)	Social learning theory
Interpersonal skills	The ability to interact effectively with people from different cultures	Black and Mendenhall (1990) Neupert, Baughn and Dao (2005) Yamazaki and Kayes (2010) Templer (2010)	Social learning theory
Perceptual skills	The ability to make correct attribution of HCNs' behaviour and the host environment	Black and Mendenhall (1990) Neupert, Baughn and Dao (2005) Seak and Enderwick (2008) Yamazaki and Kayes (2010)	Social learning theory
Communication skills	The ability to initiate meaningful	Black and Mendenhall (1990)	Social learning theory

	communication with HCNs and to solve conflicts through effective communication	Neupert, Baughn and Dao (2005) Seak and Enderwick (2008) Yamazaki and Kayes (2010) Templer (2010)	
(5) Context-embedded skills			
Authoritarianism	A leader's managerial skills that asserts strong authority and control over subordinates and demand absolute obedience from subordinates	Cheng, Chou, & Farh (2000) Cheng et al. (2004) Chen and Kao (2009)	Paternalistic leadership theory
Benevolence	The managerial skills that focus on personalized care over subordinates, such as showing kindness, love, and sensitivity to subordinates	Cheng, Chou, & Farh (2000) Cheng et al. (2004) Chen and Kao (2009)	Paternalistic leadership theory
Moral leadership skills	The leaders' ability to show superior personal virtues, self-discipline, and unselfishness to set an example for subordinates	Cheng, Chou, & Farh (2000) Cheng et al. (2004) Chen and Kao (2009)	Paternalistic leadership theory

Personal Attributes	
Context-free traits	**Context-embedded traits**
• Conscientiousness	• Submission to Authority
• Openness	• Filial piety
• Agreeableness	• Conservatism
• Emotional stability	• Endurance
• Extroversion	

• Socio-demographic factors
    Prior Experience
    Gender
    Age
    Marital status	

Personal Skills	
Context-free skills	**Context-embedded skills**
• Self-maintenance skills	• Authoritarianism leadership skills
• Interpersonal skills	• Benevolence leadership skills
• Perceptual skills	• Moral leadership skills
• Communication skills	

Cross-cultural Competence of Chinese Expatriate Managers on International Assignments

Figure 3.1 Proposed Conceptual Framework for Chinese Expatriate Managers' Cross-cultural Competence

3.5 Conclusion

Based on the literature review in Chapter Two, this chapter has reviewed the potential CCC antecedents of Chinese expatriates in the context of Chinese management practices. The chapter has identified the Chinese traditional personality as context-embedded traits, and skills associated with paternalistic leadership as context-embedded skills that could potentially influence the development of CCC among Chinese expatriates. The theoretical and empirical gaps on the topic of CCC from a Chinese perspective have been identified. In order to address these gaps, research questions and a conceptual framework have been developed to guide future investigation of the study. In the following chapter, the research methodology is discussed, which unveils details of the overall research design together with data collection and data analysis strategies.

CHAPTER 4 RESEARCH METHODOLOGY

4.1   Chapter Objectives

This chapter provides details of the research methodology for the thesis and the method used to collect and analyse data in this study. The chapter has the following structure: The research design is presented in Section 4.2 which includes an overview of the methodologies dominating the CCC discipline and the rationale for utilizing a qualitative approach for the current study. In Section 4.3, the procedure and general rules used during data collection are discussed, including strategies for selecting the sample, accessing respondents, and analysing data. Section 4.4 discusses the data analysis process with respect to coding strategies and the reliability and validity issues of the analysis process. Finally, Section 4.5 provides a summary of this chapter.

4.2   Choice of Method

4.2.1   Research Design

Research design is the overall plan or structure used to answer research questions and guides the researcher through the process of data collection and analysis (Fielding, 2010; Tharenou, Donohue, & Cooper, 2007). Thus, it is essential to ensure that the research design addresses the research problem and associated research questions raised in Chapter 2. Broadly, research designs can be quantitative, qualitative, or a mixed method of quantitative and qualitative designs (Creswell & Plano Clark, 2007). These three types of designs are discussed briefly below.

A quantitative study is defined as an inquiry into a social or human problem, based on testing a theory composed of variables and analysed with statistical procedures, in order to determine the extent to which the predictive generalisations of the theory hold true (Creswell, 2009). In quantitative studies, theory is used deductively to test or verify the theory, rather than develop it. The theory is the framework for the study, an organising model for the research questions and hypotheses and for the data collection and data analytic procedures (Creswell, 2009). Study techniques used for quantitative research can be experimental (true experiments, quasi-experiments) and survey-format (cross-sectional, longitudinal) (Crabtree & Miller, 1999; Yin, 2009).

By contrast, a qualitative study is defined as an inquiry process for understanding a social or human problem based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting (Creswell & Plano Clark, 2007). In qualitative studies, theories may be derived or generated from data, rather than being tested with data as would usually be done in quantitative studies (Harrison & Reilly, 2011). Due to the diagnostic and exploratory nature, qualitative research design can be used to study phenomena about which relatively little is known, or where theories may not fit a particular situation (Piekkari, Welch, & Paavilainen, 2008). Therefore, theories are built or variations to the theories are made through a systematic way of learning about a complex situation using extensive description and contextual analysis (Yin, 2009). Methods for gathering qualitative data include research interviews, systematic observation, case studies, text/document/record analysis, historical analysis, action research, and ethnography

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(studying an intact cultural group in a natural setting) (Durian, 2002; Tharenou et al., 2007).

Mixed methods research design is an approach that combines or involves both quantitative and qualitative forms (Creswell, 2009). According to Creswell and Plano Clark (2007), mixed methods research design is more than simply collecting and analysing both kinds of data; it also involves the use of both approaches in tandem so that the overall strength of a study is greater than either qualitative or quantitative research. Therefore, quantitative and qualitative techniques can triangulate each other in mixed methods, through which the validity and reliability of a study can be enhanced (Creswell, 2009; Sekaran, 2003; Yin, 2009). However, due to time and resource constraints, it is claimed by researchers that there is usually one major design that suits the research problem and the research gaps (Gibbs, 2007; Miller & Crabtree, 1999; Perry, 1998).

In order to select the most appropriate research design from the above discussed types, the research methodologies dominating the CCC discipline are reviewed and discussed to guide this study. Furthermore, the objectives of the current study and the nature of the research questions are analysed to justify the research design chosen. These are discussed in the following sections.

4.2.2   Epistemological Underpinnings of Cross-cultural Research

Cross-cultural studies in management practices emerged in the 1960s with a focus on comparing managerial actions and practices across different countries (Bryman & Bell, 2007; Creswell & Miller, 2000). For decades there has been debate in the IB literature regarding the role culture plays in management thinking and actions (e.g., Ralston, Gustafson, Cheung, & Terpstra, 1993; Ralston et al., 2008). However, due to the evolving nature of culture, and the complexity of human behaviours in managerial practices, this area is still argued to be 'young' theoretically (Goodall, 2002; Shaffer et al., 2006). Researchers point out that most theories and concepts in cross-cultural research are borrowed from other fields of inquiry (e.g., psychology) and a theory building approach is particularly needed in this area (Tung, 2007a).

In the field of cross-cultural research, two contrasting perspectives for the role culture plays in management practices are the "cultural divergence" and "cultural convergence" viewpoints (Tung, 2007a). The former argues that values of people from different countries will continue to be diverse as national cultures are extremely stable over time, while the latter argues that cultural differences will diminish, thus leading to convergence over time due to rapid globalization and increasing interactions among people from different cultures (Ralston et al., 2008). Later, Ralston et al. (2008) suggested a "cross-vergence" construct which strikes a balance between the two perspectives discussed above. They further emphasized the impact of different institutional elements on managerial practices and work values (Hofstede, 1994; Ralston

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et al., 2008). However, compelling theories are still lacking in this area which led Tung (2007) to call for improving the quality of cross-cultural research by taking into consideration the intra-national variations of culture and the evolution of national culture.

The CCC domain which constitutes a subset of cross-cultural studies also appears to lack compelling and overarching theories, including conceptualization and definition of CCC and the domain of CCC (Bird et al., 2010; Morley & Cerdin, 2010). By reviewing previous literature, Johnson et al. (2006) argue that although CCC is extensively studied in workplace diversity and intercultural communication, there is an absence of in-depth studies in the field of IB regarding what constitutes CCC and how CCC is developed. Further, studies of CCC tend to ignore environmental factors (e.g., economic, political environments) within which expatriate managers operate (Zhang & Xu, 2009).

Despite lacking strong theoretical underpinnings, the CCC discipline is highly skewed towards the quantitative paradigm. The quantitative paradigm is based on natural science and indicates that the world is objective which can be quantified (Creswell, 2009). The quantitative methods within the CCC discipline include tests and surveys using statistical analysis. For example, a number of studies used self-reported questionnaires to test what personalities or skills contributed to cross-cultural adjustment of expatriates (e.g., Black & Gregersen, 1991; Downes et al., 2010; Selmer, 2002; Shaffer et al., 2006; Yamazaki, 2010). These methods are favourable options when the purpose of the research is theory testing and a dominance of these methods

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might result in an impediment in predictive and inductive theory building progress in the area of CCC (Morley & Cerdin, 2010; Shaffer et al., 2006). In line with this, Goodall (2002) argues that rich descriptions of cross-cultural interactions and theoretical interpretations are still short in the literature, where qualitative data and qualitative designs are particularly needed to further the research progress.

In order to sustain the growth of the CCC discipline, it is important to develop theories as well as incorporate theories from other disciplines to investigate the complex phenomenon under consideration (Tung, 2007a). The scholars in this area called for rigorous qualitative research design using techniques such as case studies and in-depth interviews to further theoretical development (Bird et al., 2010; Goodall, 2002; Johnson et al., 2006). In light of the discussion above, qualitative research method is needed in future studies to contribute to the overall theoretical advancement in the CCC discipline.

4.2.3   Restating the Research Purpose

As has been discussed in Chapter 3, the purpose of the current study is to explore how CCC is developed from the perspective of Chinese expatriate managers. In particular, this study seeks to identify the important antecedents of CCC and how those antecedents contribute to CCC in Chinese expatriate managers' overseas operations. The research questions are raised for further investigation and they act as the overarching guide for this study.

From a methodological point of view, the Chinese context was chosen for the current study is for the following reasons: First, theoretically, prior studies in CCC mainly focus on expatriate managers from Western countries, but theories developed from those studies might not be directly transferable to the Chinese context due to substantial differences in many aspects including political, institutional and cultural dimensions (Ralston et al., 2008). As the cultural and ideological backgrounds in China are quite different from those in Western countries, the overemphasis on Western expatriates provides only partial understanding of the development of expatriate CCC. Wood and Mansour (2010) suggest that workplace behaviours of Chinese expatriates are deeply embedded in indigenous managerial practice in the broader Chinese institutional environment. Therefore, studying Chinese expatriates provides an excellent opportunity to refine and extend existing CCC concepts into emerging markets such as China. Second, in practice, China is a good sample because the outward investment from Chinese companies grows rapidly each year with their expatriate managers facing significant challenges in overseas markets (Feng & Mu, 2010; Tung, 2007b; Zhang, 2007). However, those problems have been under investigated in the academic literature. Studying CCC from the Chinese perspective therefore justifies itself both theoretically and practically.

Due to underdeveloped theoretical underpinnings of CCC and the lack of studies focusing on Chinese expatriate managers, this study is exploratory in nature and a qualitative approach is the most appropriate for investigating the research questions. The rationale for utilizing a qualitative approach is discussed in the next section.

4.2.4   Rationale for Utilizing a Qualitative Approach

According to Sekaran (2003), "exploratory studies are undertaken to better comprehend the nature of the problem since very few studies might have been conducted in that area. Extensive interviews … might have to be undertaken to get a handle on the situation and understand the phenomena." (p.119). In addition, "exploratory studies are also necessary when some facts are known, but more information is needed for developing a viable theoretical framework" (Sekaran, 2003, p.120). As discussed previously, the CCC literature focusing on Western expatriates has constrained researchers in exploring all the important variables that contribute to CCC due to restrictions of contexts within which those studies were conducted (Johnson et al., 2006). Accordingly, it is difficult for prior researchers to generalize their findings. Therefore, examining CCC of expatriate managers from China is exploratory in nature because of China's unique cultural and ideological backgrounds (Ralston et al., 2008). Qualitative research design is the most appropriate option when undertaking an exploratory study (Hutchings, 2004; Sekaran, 2003; Tharenou et al., 2007). Researchers argue that qualitative approaches are used where the research is exploratory, and variables are unknown, the context is important, and there might be a theory base lacking for the study (Creswell, 2009; Yin, 2009).

Further, Yin (2009) suggests that the choice of research design, quantitative or qualitative, depends not only on the nature of the study, but also on the types of research questions. If the research questions asked about "how much" or "how many", then

survey or archival methods are favoured. If they asked "how" and "why" questions which are more explanatory, it is likely to lead to the use of qualitative approaches as the preferred research method. In the current study, the research questions mainly focus on "what" and "how" questions. The "what" questions involve "what personal attributes and what personal skills are antecedents of CCC?" from the perspective of an under-researched expatriate group. These research questions are exploratory in nature as they are not asking about "how many" or "how much", but rather the potentially important factors that have not been examined by previous studies. According to Yin (2009), these types of "what" questions could use any of the methods listed in Table 4.1.

The research questions in the study also involve "how" questions including "how do those antecedents contribute to CCC in Chinese expatriates' cross-cultural management?" These types of research questions provide insights into the essence of a phenomenon rather than testing existing hypotheses as suggested by scholars (Schweizer, 2005; Tharenou et al., 2007). Furthermore, these types of research questions focus on the process of a phenomenon within its real-life context, and the interpretations of human experiences are of particular importance. Scholars have claimed that a qualitative approach is preferable in investigating the perceptions and understanding of individuals toward a social problem (Creswell, 2009; Fielding, 2010; Yin, 2009). Given the exploratory, real-life and theory-building nature of the study, a qualitative approach is the most appropriate for investigating the current research topic.

Table 4.1 Relevant Situations for Different Research Strategies

Strategy	Type of Research Questions	Control over behavioural events?	Contemporary events?
Experiment	How, Why	Yes	Yes
Survey	Who, What, Where, How many, How much	No	Yes
Case study	How, Why	No	Yes
Archival Analysis	Who, What, Where, How many, How much	No	Yes/No
In-depth interviews	How, Why, What	No	Yes
History	How, Why	No	No

Adapted from Yin (2009).

4.3 In-depth Interviews

This study adopted in-depth interviews and followed an abductive approach in data collection and analysis following the suggestions of Dubois and Gadde (2002). In-depth interviews are a predominant approach in qualitative research design as they are able to provide rich information on the issue under investigation (Creswell, 2009), and they are the most appropriate approach to understand the interaction between a phenomenon and its context (Dubois & Gadde, 2002). According to Schmitt and Kilimoski (1991), in-depth interviews can "gain insights regarding how individuals attend to, perceive, or otherwise deal with some phenomenon of interest" (p.139). An abductive approach is a

systematic combining of existing theories, conceptual frameworks and empirical data, with the purpose of refining existing theories than inventing new ones (Dubois & Gadde, 2002). Following the abductive approach (Dubois & Gadde, 2002; Eisenhardt, 1989; Schweizer, 2005), in-depth interviews were used to develop and refine existing theories through understanding the theoretical insights of unexpected empirical evidence within their contexts. This approach is further reflected in data analysis techniques including pattern matching and explanation building which are detailed in Section 4.6.2.

The interviews were semi-structured which allow the researcher to conduct guided, focused, and open-ended communications with respondents (Welch & Piekkari, 2006). This type of interview allows researchers to concentrate on particular topics and at the same time allows them to ask open-ended questions to collect more information (Miller & Crabtree, 1999). An interview protocol was developed initially from literature, but the interview questions were fluid rather than rigid which allowed the interviewee and the interviewer to come up with new perspectives beyond the framework of the proposed constructs (Yin, 2003; 2009). When asking about respondents' background information, the interview questions tend to be structured to capture precise data (Wocke, Bendixen, & Rijamampianina, 2007), while other questions tend to be open-ended to understand respondents' perceptions and viewpoints toward a social problem without posing any prior categorization that may limit the field of inquiry (Wocke et al., 2007). In this way, the study contributes to new knowledge emerging from the data without abandoning existing knowledge (i.e., the proposed theoretical framework on

CCC) and theories (i.e., socio-analytic theory, social learning theory) in the CCC literature.

4.3.1 Selection of Interviewees

The selection of interviewees is argued to be one of the most important issues in qualitative research (Eisenhardt, 1989; Yin, 2009). Patton (1990) points out that the cases of selected interviewees should be information rich from whom "one can learn a great deal about issues of central importance to the purpose of the research" (p.169). Therefore, interviewees should be selected based on criteria that are consistent with the research objectives (Ghauri, 2004). In addition, Eisenhardt (1989) suggests that the selection of interviewees should rely on theoretical sampling rather than statistical sampling. In the current study, the primary interviewee group consists of Chinese expatriate managers, which is used to extend and refine existing theories developed from expatriates for advanced market MNEs.

Researchers have also claimed that relying upon a single source of data could lead to misleading conclusions thus it is necessary to include various data sources to triangulate the phenomena under investigation (Podsakoff, MacKenzie, Jeong-Yeon, & Podsakoff, 2003; Spector, 2006). Following the logic of triangulation, this study includes three groups of interviewees. The first group comprises Chinese expatriate managers whose perspectives were investigated to answer the research questions raised in Chapter 3. Group two includes foreign colleagues of Chinese expatriates in local subsidiaries, and

their viewpoints were considered to triangulate the findings from the subordinate level. The third group consists of supervisors or cross-cultural consultants of Chinese expatriates whose perspectives triangulate findings from the management level. By investigating different groups of interviewees, more in-depth perspectives on the research topic could be provided for theory building and theory refinement (Patton, 1990; Yin, 2009). Following the suggestions of previous researchers (Fischer & Reuber, 2003), the current study used the criterion sampling and snowball sampling techniques to select different groups of interviewees, which are discussed in the following sections.

4.3.2 Criterion Sampling Technique

The logic behind the criterion sampling technique is that only the interviewees that meet a predetermined criterion will be selected as a sample to investigate the research problem (Creswell, 2009). The predetermined criteria for this study were derived from the research objectives stated in Section 4.2.3. In order to be able to provide rich information on the CCC issues of Chinese expatriates, the criteria for the first interviewee group (i.e., Chinese expatriate managers) include:

- The Chinese expatriates have been working on international assignments for more than half a year and they supervise local employees on a daily basis. Therefore they have a considerable level of knowledge to reflect on.
- In order to diminish the influence of specific host cultures, the sample covers a wide range of locations rather than one or two specific host countries;

- In order to diminish the influence of firm ownerships, the sample was selected across different types of Chinese companies (i.e., state-owned, privately-owned, foreign invested companies). More expatriates were selected from state-owned enterprises as this type of Chinese company has conducted approximately 70% of outward investment since the 1980s (Ministry of Commerce of China, 2010).

In terms of the second group of interviewees which comprises the foreign colleagues, the criteria for selecting a sample include:

- They represent the mainstream local culture in the host country;
- They were located in a wide range of host countries to diminish the influence of specific host cultures;
- They have been working with Chinese expatriate managers for more than six months on a daily basis to obtain a considerable level of knowledge to reflect on.

The criteria for the third interviewee group which comprises the expatriate supervisors and cross-cultural consultants can be summarized as follows:

- Supervisors: they are currently engaged in managing Chinese expatriates directly and have been working with Chinese expatriates for more than one year;
- Cross-cultural consultants: they have provided training to Chinese expatriates for more than one year.

In order to determine whether the interviewees met the above criteria, an exploratory statement (Appendix A, B, C) was sent to potential respondents with the criteria being clearly illustrated. The researcher also communicated with each respondent before the interview to make sure that they met the above criteria. A copy of the exploratory statement sent to the interviewee group one, two, and three can be found in Appendix A, B, and C respectively.

4.3.3   Snowball Sampling Technique

With the snowball sampling technique, information rich interviewees were identified through other members of the population (Patton, 1990). As newly identified members name others, the sample snowballs (Fink, 2003). According to Fink (2003), snowball sampling is useful when a population listing is unavailable and cannot be compiled. Snowballing technique suits the current study well as there are no exact lists of Chinese expatriate managers, their foreign colleagues, supervisors, or cross-cultural consultants. Therefore, the researcher used social networks to access the first group of interviewees (i.e., Chinese expatriate managers) based on the criteria listed in the previous section. As indicated by prior research, without using social networks, it is very difficult for researchers to access a sample in China (Ramamurti, 2000). After contacting the first few interviewees, the researcher used the snowballing technique to enlarge the sample only if the acquaintances introduced by the original interviewees complied with the selection criteria. In addition, the expatriate managers were asked to introduce their foreign colleagues, supervisors or cross-cultural trainers into this study, thus building

the other two groups used in the data collection. Although foreign colleagues, supervisors, and cross-cultural consultants were introduced by Chinese expatriates, they were not necessarily matched with those expatriates due to individuals' willingness to participate.

4.4   Sample Descriptions

Figure 4.1 provides an overview of the samples used in this study. In all, fifty interviews were conducted with twenty-five Chinese expatriate managers, fifteen foreign colleagues and ten expatriate supervisors or cross-cultural consultants. The detailed descriptions of each sample group are presented in the following subsections (See Table 4.2, 4.3, 4.4).
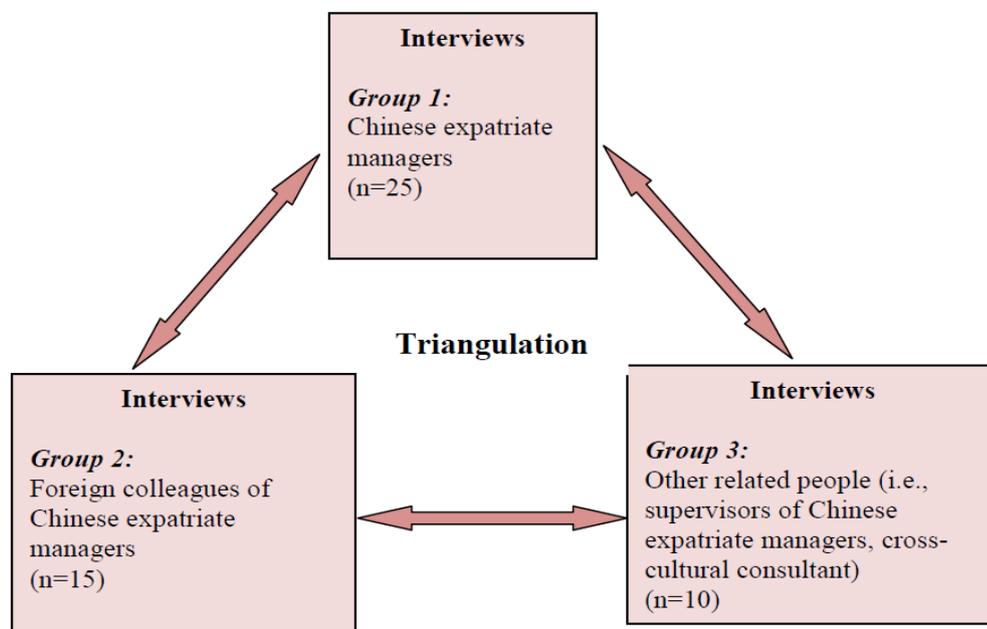
Figure 4.1 Sample Overview: Three Groups of Interviewees

4.4.1 Group One: Chinese Expatriate Managers

Chinese expatriate managers refers to those who grew up in China and thus have a Chinese cultural background, and are currently working and living in a foreign country. Chinese multinationals are defined as companies with half or more of their assets coming from their headquarters in China. Although the exact number of Chinese expatriates is not available, it is likely that this population contains thousands of subjects due to the large numbers of Chinese enterprises involved in outward foreign direct investment (Ministry of Commerce of China, 2010).

Using the criterion and snowball sampling techniques discussed in the previous section, a sample was selected which consisted of twenty-five Chinese expatriate managers working on international assignments for Chinese MNEs. These expatriate managers work in a wide range of foreign markets. Some work in Asian countries including Kazakhstan, Japan and Thailand. Others work in European countries such as Poland, France, England, and Germany. African countries including Congo, South Africa, Algeria and other countries including Australia and Panama were also included in this study. The majority of the respondents, seventeen out of 25 were male, accounting for 68%. This is in line with Chinese companies' willingness to send more male expatriates overseas than females. Sixteen participants were aged from 20 to 30, 7 of them were aged from 30 to 40, and 2 were aged 40 to 50. Each participant has worked overseas for

at least six months, ranging from six months to four years. Five participants have had prior international experience and one of them had formal education in the host country. All participants speak English as a foreign language but for those working in non-English speaking countries, only one participant spoke the local language fluently. In most cases, English is used at work even if the local language is not English. As explained, the participants work in different types of Chinese companies including state-owned enterprises (14), privately-owned enterprises (7), and foreign-invested company in China (4). A detailed description of this sample is listed in Table 4.2 below.

Table 4.2 Sample Description—Group One: Chinese Expatriate Managers

Gender	Age range	Country currently working in	Years on the current international assignment	Position	Prior international experience	Company	Length of interviews/ mode of interview
Male	30-40	The republic of Kazakhstan	2 years	General manager, responsible for market development	3 years working in Belarus	SOE— Telecommunica tion company A	45 mins/ Phone
Male	20-30	The state of Kuwait	6 months	Team manager on projects	3 months working in Pakistan	POE— Technology company B	1 hour 30 mins/ Phone
Male	20-30	The Democratic People's Republic of Algeria	1 year	Project manager on site		SOE-- Trust and Investment Company C	1 hour/ Phone
Male	30-40	Ukraine	4 years	General manager of market and technology		SOE-- Telecommunica tion A	1 hour 30 mins/ phone
Male	20-30	The United Arab Emirates	6 months	Project manager	1 year working in North African countries	POE-- Construction company D	1 hour 15 mins/ Phone

Male	20-30	The United Arab Emirates	1 year	Project manager on site		SOE— Construction company E	45 mins/ phone
Male	20-30	Poland	1 year and 2 months	Project manager on site		SOE— Construction Company E	1 hour 15 mins/ phone
Male	30-40	France	1 year	Marketing manager		SOE— Telecommunica tion company A	45 mins/ phone
Female	20-30	Belarus	4 years	General manager of local customer relations	2 years studying in Belarus	SOE— Telecommunica tion company A	1 hour 30 mins/ phone
Male	20-30	The Republic of Panama	8 months	Team manager on projects	6 months working in India	POE— Technology company B	1 hour 15 mins/ phone
Male	20-30	The Republic of Angola	1 year	Project manager on site		SOE-- Trust and Investment Company C	1 hour/ phone
Male	20-30	Republic of South Africa	10 months	Team manager on projects		POE— Technology company B	1 hour 45 mins/ phone
Female	20-30	Australia	1 year	Manager of subsidiary-headquarter		SOE-- electronics manufacturing	2 hours/ face-to-face

Male	20-30	Australia	1 year and 6 month	N/A	POE—manufacturing company G	1 hour/ face-to-face
Male	20-30	The United Arab Emirates	2 years	Construction schedule manager	SOE—Aero company H	45 mins/ phone
Female	30-40	Japan	2 years	Team manager	Foreign invested company I	1 hour/ phone
Female	30-40	Japan	1 year and 4 months	Team manager	Foreign invested company I	45 mins/ phone
Female	20-30	England	2 years	Project manager	Foreign invested company J	1 hour 15 mins/ phone
Male	30-40	Germany	3 years	Engineer	Foreign invested company K	1 hour 30 mins/ phone
Male	20-30	Thailand	3 years	Marketing manager	POE—Technology company B	1 hour 15 mins/ phone
Male	20-30	The Republic of Congo	2 years	Manager assistant and translator	SOE-- Trust and Investment Company C	45 mins/ phone

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Female	40-50	Thailand	1 year	Human resource manager	POE— Technology company B	45 mins/ phone
Female	30-40	England	4 years	General manager	SOE--- Manufacturing company Q	1 hour/ phone
Male	40-50	Malaysia	1 year 6 months	Marketing manager	SOE--- Transportation company R	1 hour 15 mins/ phone
Female	20-30	Germany	1 year	N/A	Foreign invested company K	45 mins/ phone

SOE: State-Owned Enterprises; POE: Privately-Owned Enterprises

4.4.2 Group Two: Foreign Colleagues

The sample in this group comprises fifteen foreign colleagues of Chinese expatriate managers who originate from the Middle East (2), European countries (3), Asian countries (6), and Australia (4). Eight participants are male and seven are female. Their ages cover a wide range. Five were aged 20-30, six were 30-40, two were 40-50, and 2 were 50-60. All have worked with Chinese expatriate managers for more than 1 year on average. Most participants in this group work in state-owned Chinese companies (9) and others work in foreign-invested companies (2) or privately-owned companies (1). Detailed sample information is listed in Table 4.3 below.

Table 4.3 Sample Description---Group Two: Foreign Colleagues

Gender	Age range	Country working in	Time working with Chinese expatriate managers	Working position	company information	Length of interviews
Male	30-40	Poland	10 years	Translator	SOE—Construction company E	1 hour 15 mins/ phone
Male	20-30	Australia	1 year	Spare-parts assistant	SOE-- electronics manufacturing company F	45 mins/ face-to-face
Male	40-50	Australia	4 years	Logistic manager	SOE-- electronics manufacturing company F	30 mins/ face-to-face
Male	30-40	Australia	1 year	Testing and repairs	SOE-- electronics manufacturing company F	45 mins/ face-to-face
Female	30-40	Australia	2 years	Finance	SOE-- electronics manufacturing company F	1 hour/ face-to-face
Male	50-60	Hong Kong	2.5 years	Operations	Foreign invested company L	1 hour 30 mins/ phone
Male	50-60	Hong Kong	6 years	Operational head	Foreign invested company L	1 hour 15 mins/ phone

Female	20-30	Japan	1 year	Accounting	Foreign invested company I	1 hour/ phone
Female	30-40	Japan	1 year	Human resource manager	Foreign invested company I	45 mins/ phone
Female	30-40	Thailand	2 years	Marketing	SOE---Transportation company R	1 hour/ phone
Female	20-30	Malaysia	6 months	Human resources	SOE---Transportation company R	1 hour 15 mins/ phone
Male	30-40	England	1 year	Technical assistant	SOE---Manufacturing company Q	45 mins/ phone
Male	40-50	Germany	1 year 6 months	Finance	Foreign invested company K	1 hour/ phone
Female	20-30	United Arab Emirates	6 months	Human resources	POE-- Construction company D	1 hour 15 mins/ phone
Female	20-30	United Arab Emirates	1 year 2 months	Human resources	SOE—Construction company E	45 mins/ phone

4.4.3 Group Three: Expatriate Supervisors or Cross-cultural Consultants

This group includes ten respondents including supervisors of Chinese expatriate managers (6) and cross-cultural consultants (4). The ethnic backgrounds of the participants in this group are mainly Chinese. Six participants were male and four were female. Their ages are ranged from twenties to fifties. Most have worked with Chinese expatriate managers for a long time, more than 5 years on average. In addition, they come from different types of companies including state-owned enterprises in China (3), privately-owned enterprises in China (5), and foreign-invested companies in China (2). See Table 4.4 for details.

Table 4.4 Sample Description—Group Three: Expatriate Supervisors or Cross-cultural Consultants

Gender	Age range	Country working in	Working position	Years working with Chinese expatriate managers	Company	Length of interviews
Male	20-30	China	Expatriate supervisor	2 years	SOE—Construction company E	45 mins/ face-to-face
Female	50-60	China	Manager of expatriates	12 years	SOE—Construction company E	1 hour 30 mins/ face-to-face
Male	40-50	China	Cross-cultural expert	7 years	POE—Cross-cultural consulting company M	1 hour 15 mins/ face-to-face
Male	30-40	China	Investment consultant	3 years	POE—Investment consulting company N	45 mins/ face-to-face
Male	40-50	China	Head of China operations	10 years	Foreign invested company O	1 hour/ face-to-face
Female	30-40	China	Team manager of China operations	2 years	Foreign invested company P	1 hour 15 mins/ face-to-face
Male	40-50	China	Cross-cultural consultant	5 years	POE—Cross-cultural consulting company M	45 mins/ face-to-face
Male	30-40	China	Cross-cultural consultant	3 years	POE—Cross-cultural consulting company M	1 hour/ face-to-face

| Female | 40-50 | China | Human resource manager | 2 years | POE—Technology company B | 45 mins/ face-to-face |
| Female | 40-50 | China | Manager of expatriates | 2 years | SOE—Construction company E | 45 mins/ face-to-face |

4.5 Data Collection

In-depth semi-structured interviews were conducted during 2009 and early 2010 with individual interviewees in the above discussed sample groups. Phone interviews were used as the primary method to gain information due to the widespread locations of respondents. For example, Chinese expatriate managers were working in a wide range of different countries, as well as the foreign colleagues. It was not possible for the researcher to fly to different countries for face-to-face interviews within the time and resource constraints. Sekaran (2003) suggests that the primary advantage of conducting phone interviews is that a large number of people across countries can be reached within a short period of time. Therefore, phone interviews emerged as a good option for the researcher. The exploratory statement of the study had been sent to respondents before commencing the interviews and interviews were conducted only if the respondents were willing to participate. In addition, face-to-face interviews were done where possible to pick up nonverbal cues from respondents. Taking the advantage of studying in Australia and studying away in China, the researcher was able to conduct face-to-face interviews with respondents who were based in Australia and China.

The interview questions were initially developed based on literature review (Johnson et al., 2006; Leiba-O'Sullivan, 1999) which suggests certain kinds of personal attributes and personal skills as antecedents of CCC (See the theoretical framework in Chapter 3). Interviewees from the three groups were asked similar questions regarding the important determinants of CCC for Chinese expatriate managers based on their

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experiences (please refer to Appendix D, E, and F for interview protocols). In group one, Chinese expatriate managers were asked about their background information (e.g., age, gender, working position), and their experiences of managing overseas through which they could identify the important antecedents for CCC. They were also asked to provide examples while responding to the interview questions. In the case of the foreign colleagues, they were asked about their experiences of working with Chinese expatriate managers, and their perspectives toward the significant factors that contribute to CCC of Chinese expatriates. They were also asked to provide examples where possible. The same questions were asked in group three.

A typical interview lasted between 60 and 90 minutes which was sufficient for the respondents to flesh out the necessary depth in their replies to the research questions. The interviews were conducted either in Mandarin or English based on the preferences of individual respondents (refer to Table 4.5 for details). In terms of Chinese expatriates, all of the respondents (n=25) were willing to be interviewed in Mandarin. Although those expatriates can speak English which is necessary for their work, the advantage of conducting interviews in Mandarin is to ensure the respondents express themselves without any language constraints. In addition, the researcher, who is also a native Mandarin speaker, can catch subtle verbal information during the interview. In terms of interviewee group two (i.e., the foreign colleagues, n=15), only one interview was done in Mandarin and fourteen were conducted in English. A foreign colleague from Poland spoke very fluent Mandarin and he preferred to be interviewed in Mandarin but others preferred English through which they can freely express their opinions. With regards to

the third interviewee group (i.e., expatriate supervisors or cross-cultural consultants, n=10), all of them were based in China and they were all interviewed in Mandarin. While interviewing Chinese interviewees, the interview protocols were translated to Chinese by authorized agencies. The translated version of interview questions for interviewee group one and three are available in Appendix G. Electronic copies of the interview protocol were sent to the respondents before the scheduled interviews, and the interviews were audio-recorded upon approval of individual interviewees (See consent form in Appendix H).

Table 4.5 Numbers of Interviews in Mandarin vs. English

	Group One: Chinese expatriate managers	**Group Two:** Foreign colleagues	**Group Three:** Expatriate supervisors or cross-cultural consultants
Number of Interviews in Mandarin	25	1	10
Number of Interviews in English	0	14	0

4.6 Data Analysis

The process of data analysis involves preparing the data for analysis, moving deeper and deeper into understanding the data through data analysis, representing the data, and interpreting the larger meaning of the data (Creswell, 2009; Creswell & Plano Clark,

2007). In the following section, the data analysis process of this study is discussed in detail.

4.6.1   Preparing Data for Analysis

Since all the interviews were digitally recorded, they were uploaded onto the researcher's computer. Twenty-five interviews were transcribed by the researcher while twenty-five were transcribed by an outside transcribing agency. The Mandarin interviews were transcribed into Mandarin and the English interviews were transcribed into English. Transcripts were done shortly after conducting the interviews while the information was still fresh and the researcher could make field notes to the transcripts which enhanced the richness of the data (Yin, 2009).

The researcher read through all the data and checked the interview transcriptions completed by the agency to check their accuracy. The strength of the researcher reading through all the data is that it enabled the researcher to obtain a general sense of the information and to reflect on its overall meaning and make inferences (Creswell, 2009). This sense-making process greatly facilitated the analysis process later on. After checking data accuracy, the interview transcriptions were exported to computer program NVivo 8 (QSR NVivo). Being a software designed for qualitative research, NVivo 8 can be used to assist the researcher in coding and retrieving text around themes and categories (Tharenou et al., 2007). The coding process and the tools of analysis for this study are presented in the following section.

4.6.2 Tools of Analysis

After data preparation was done, detailed data analysis began with a coding process. Coding is the process of organizing the material into chunks or segments of text bringing meaning to information (Rossman & Rallis, 1998, p.171). It involves taking text data gathered during the data collection into categories, and labelling those categories with appropriate terms derived from the actual language of the participant (Creswell, 2009). Nvivo 8 assists in several ways in the coding process, although it should be noted that NVivo 8 does not automatically code the data (Tharenou et al., 2007). The researcher needs to code through reading and interpreting the interview data to determine the codes. In this study, several tools of analysis were used including pattern matching and explanation building.

Pattern Matching

Pattern matching is a deductive approach to analysing qualitative data and it allows researchers to anticipate patterns of a phenomenon or event before empirical data is collected (Tharenou et al., 2007). The anticipated patterns are normally derived from existing theory or theoretical frameworks and they serve as templates against which the qualitative data are analysed (Yin, 2009). Freeman and Cavusgil (2007) suggest that using pattern matching techniques, codes should be assigned to significant sentences and phrases to emphasize the relevance to a particular research question. Following this notion, the current study used open, axial, and selective coding (Strauss & Corbin, 1998)

for pattern matching and theory building. Open coding allowed the data to be dissected for similarities and differences without initial preconceptions (Freeman & Cavusgil, 2007). In this study, pieces of transcribed texts (i.e., phrases, sentences) were highlighted and labelled with codes that represent the same meaning of the actual language used by interviewees. Axial coding was then used to link codes into categories and sub-categories to create common themes. In selective coding, themes were integrated around a 'core' category and the linkages and connections among themes were identified (Freeman & Cavusgil, 2007). The core categories were then integrated with theoretical perspectives (pattern matching) to highlight new constructs and new relationships emerged from empirical data.

In this study, the expected pattern of CCC was derived from theories developed from Western contexts (i.e., socio-analytic theory, social learning theory). Empirical data collected from Chinese expatriates and other related respondents were then compared to the existing patterns. Those patterns and theoretical perspectives might be challenged if they were not supported by empirical data. In this case, explanation building techniques suggested by Yin (2009) need to be utilized to improve the fit between theory and empirical data.

Explanation Building

According to Yin (2009), explanation building is an effective strategy to explore rival explanations against a case or phenomenon in an attempt to reconcile misfit between

empirical data and existing theories. In the current study, explanation building strategy was utilized where emerging themes based on the perspectives of Chinese expatriate managers could not be explained by the CCC theories developed from Western contexts (i.e., socio-analytic theory, social learning theory) and the theoretical framework presented in Chapter Three. Where a particular pattern or theoretical perspective was not able to fully explain the phenomenon, alternative explanations using other theoretical perspectives were incorporated to refine existing theories for the complex CCC issue of Chinese expatriates. This approach is different from the grounded theory approach where theoretical analysis is based solely on empirical data (Lewis & Ozaki, 2009). Rather, it is guided by the existing theoretical frameworks and at the same time allows the emergence of themes from data analysis which leads to theory building and refinement (Layder, 1998; Yin, 2009).

4.6.3   Reliability and Validity

Reliability and validity are as important in qualitative research as they are in quantitative research. In a qualitative study, reliability indicates that the researcher's approach is consistent and reliable (Creswell, 2009). Following the suggestions of Gibbs (2007), the transcripts were checked by comparing data with the codes to make sure the meaning of the codes did not shift during the process of coding. In addition, transcripts were checked to make sure they did not contain obvious mistakes made during transcription. This helps increase the reliability of the data analysis process. In addition, cross-checking was used in a coding process to ensure high reliability of the

study (Creswell, 2009). A researcher who is a native Mandarin speaker and has knowledge of IB helped to cross-check the codes in the Mandarin interviews and an Australian researcher who is also expert in IB helped to cross-check the English interviews. The researchers agreed on most of the codes (95%) used in the same passages in the same text.

Validity, on the other hand, is based on determining whether the findings are accurate from the standpoint of the researcher and the participants (Creswell & Miller, 2000). Creswell (2009) suggested 'triangulating' and 'member checking' as the most important and useful strategies to check the accuracy of the findings. In this study, the researcher used different data sources including interviews with Chinese expatriate managers, the foreign colleagues, and other related people such as expatriate supervisors and cross-cultural consultants, to build a coherent justification for themes. Themes were established based on converging several sources of perspectives from participants which added to the validity of the study. Further, the researcher took specific themes back to key participants and provided an opportunity for the participants to comment on the findings. In this way, the accuracy of the qualitative findings was greatly increased. Peer debriefing was also used to enhance accuracy as the researcher located a scholar external to this project to review and ask questions about the study. This person has bilingual skills (Mandarin and English) so was able to review both Mandarin and English transcripts.

The computer-aided approach can also increase reliability and validity of this study in several ways. First, it provides an objective count of words/phrases/terms; In addition, the researchers always applied the coding rules in the same way; Further, the researchers used standard dictionaries to ensure standardisation across forms of data which enhances the validity of the analyses (Kabanoff, Waldersee, & Cohen, 1995; Tharenou et al., 2007).

4.7   Ethical Clearance

Prior to collecting the data, an application for human ethics approval was submitted to the Standing Committee on Ethics in Research Involving Humans (SCERH) at Monash University. Tharenou et al (2007) argue that in social research, all respondents need to be treated with integrity and respect. The fair and ethical treatment of respondents involves respecting the rights, beliefs, wishes, consent and freedom of the respondents (Tharenou et al., 2007). Stake (2003) further argues that qualitative research involves intense interest in the personal views and experiences of the respondents and therefore, it is essential to inform the respondents about the disclosure of information and their confidentiality. The current research is regarded as low in risk and was approved by the SCERH at Monash University (Project number: 2009000696). When applying for ethics approval, the researcher explained the confidentiality and anonymity of respondents in the explanatory statement for the study. In addition, all interviewees were provided with an explanatory statement clarifying the following issues:

- The objectives of the research;

- The theoretical and practical contribution that the study intends to make to the field;

- How the data would be collected;

- The measures adopted to ensure confidentiality and anonymity; and

- Contact details of researchers and the SCERH at Monash University.

Before conducting interviews, the researcher made it clear to the respondents that participation in the study was on a voluntary basis and would be terminated at their request should they wish to. All interviewees were provided with a consent form and the interview was commenced only if consent had been received electronically, in print or verbally. The researcher had also guaranteed that all information collected from interviewees would be kept strictly confidential. The names of the interviewees and the companies would not be identified, as codes and pseudonyms would be provided. Interviewees were advised that the data would be used only for research purposes and could be accessed only by the researcher conducting the project. Further, they were advised that upon publication of the interview data, no individual or company would be identified.

4.8 Conclusion

This chapter outlined the overall methodological approach used to answer the research questions outlined in Chapter 3. Section 4.2 explained why the qualitative research

design was employed by this study. Following the suggestions of many researchers (Creswell, 2009; Lewis & Ozaki, 2009; Yin, 2009), in-depth semi-structured interviews were used and Section 4.3 discusses sampling techniques and selection of interviewees. Section 4.4 provided a detailed description of the samples (i.e., three groups of interviewees), and data collection and analysis tools were presented in Sections 4.5 and 4.6. Finally, Section 4.7 presented ethical clearance for this study and Section 4.8 summarized the chapter. The findings for research questions based on the qualitative data are presented in the following chapters.

CHAPTER 5 PERSONAL ATTRIBUTES FOR CROSS-CULTURAL COMPETENCE

5.1   Chapter Objectives

This chapter aims to present the findings to address the first research question raised for this study. The question intends to identify (1) the significant personal attributes that contribute to CCC of Chinese expatriate managers, and (2) the way these attributes contribute to CCC. As proposed in the literature review (i.e., Chapters Two and Three), personal attributes include context-free and context-embedded traits as well as socio-demographic factors of individuals (Johnson et al., 2006). Based on the data collected from 50 interviews, including 25 Chinese expatriate managers, 15 foreign colleagues and 10 other related people (i.e., expatriate supervisors and cross-cultural consultants), four well emphasized themes emerge as important personal attributes that might contribute to CCC from the perspective of Chinese expatriate managers. These attributes include a high sense of responsibility, being hardworking, openness, and endurance. The foreign colleagues and cross-cultural consultants provide supportive evidence on the importance of openness, but provide different opinions on being responsible, hardworking, and endurance. The qualitative evidence also indicates how these attributes help Chinese expatriates achieve CCC.

According to Costa and McCrae (Costa & McCrae, 1992; McCrae & Costa, 2004), being responsible and having a willingness to exert more effort at work are salient aspects of conscientiousness. Therefore, Section 5.2 presents findings on a high sense of

responsibility and being hardworking under the broader trait of conscientiousness. Section 5.3 provides reports on the trait of openness which is emphasized to be important by all three groups of participants. Finally, Section 5.4 presents findings on endurance that could contribute to CCC in certain host countries. While presenting data, some brief discussion was conducted wherever appropriate.

5.2   Conscientiousness

In evaluating the key personal attributes, two thirds of expatriate managers emphasized that conscientiousness would be of great importance in achieving CCC. As conscientiousness indicates the extent to which individuals are self-disciplined, careful and dependable (McCrae & Costa, 2004), this trait is directly related to the way individuals assume responsibility and the effort they put into their work, as suggested by the Chinese managers. However, foreign colleagues might have different opinions on the manner of being responsible and hard working. The findings on this trait are reported below.

5.2.1   High Sense of Responsibility

As emphasized by the respondents, Chinese expatriate managers need to be conscientious to fulfil their work duties, but their preference for a flexible way of assuming responsibilities might cause problems in certain host countries as presented in the findings below.

Fulfilling Work Duties

Of all the 25 Chinese expatriate managers who participated in this study, ten (40%) stressed the importance of being responsible for their own work, which might contribute to effective performance on international assignments. As one general manager working in the United Arab Emirates summarized: "In order to do an effective job overseas, you need to put your heart on your work, try your best, and fulfil your duties… You should do what you are supposed to do on that position". Although it was believed by participants (40%) that being responsible would enable them to concentrate on task completion and fulfilling various work requirements, managers working in different host countries identified different incentives for being responsible. For those working in African and Middle Eastern countries, such as Algeria, Kuwait, and the United Arab Emirates, being responsible was mainly emphasized to deal with tough natural environments and working environments. For example, an on-site project manager working in the United Arab Emirates expressed the importance of being responsible and self-disciplined in face of the tough natural environment in the host country. The manager stated that the United Arab Emirates is a very hot and dry country with summer lasting for half a year at a high temperature of 40-50 Celsius degrees, which posed challenges to his daily work:

> *I think the most important thing for my work is to be responsible. In my case, because I am an on-site manager and usually the temperature outside is 45 Celsius degrees, I need to visit the spot of the construction and to supervise the construction team under the temperature of 45 Celsius degrees. It all depends on my conscientiousness to visit the spot more times or less times in a day.*

However, if I visit more times, I can contribute to the progress of the project. I think that [being conscientiousness] is my advantage to work in the construction industry here (Project Manager, Male, the United Arab Emirates).

Similarly, a manager working in Kuwait emphasized that the extreme weather in local areas including sand storms and the intense heat of summer posed the most significant challenge to his work on the international assignment. Indeed, most of the Middle Eastern and North African countries are characterized by high temperature, little rainfall, and large areas of arid regions and deserts. In addition, most of the African countries are less-developed than China and the living standard and working environments in the host country might be poorer than China. Under such circumstances, poor working and living environments were stated to become the major obstacle to accomplishing organizational goals and achieving successful performance on international assignments. Accordingly, being responsible for work was believed by managers working in African and Middle Eastern countries to have assisted in overcoming environmental obstacles (e.g., tough weather and working conditions) which enabled them to achieve work and managerial effectiveness in the host country.

The above findings refute Downes, Varner, and Hemmasi's (2010) argument that conscientiousness is not related to either expatriate adjustment or job performance. Rather, from the perspectives of Chinese expatriate managers, this study suggests that one salient aspect of conscientiousness--being responsible--could help expatriates achieve higher levels of CCC in host countries especially in those naturally tough

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environments. This is congruent with social analytic theory (Hogan & Holland, 2003) which stresses that conscientious individuals are willing to spend more time and exert more effort to overcome work-related problems (Shaffer et al., 2006). The current study extends previous understanding of conscientiousness from a cross-cultural perspective and suggests that physical environments of certain countries (i.e., African countries) might require a higher level of conscientiousness in order to achieve CCC compared to other countries. It also sheds light on the need for expatriates from other countries, who will be working in those countries, to be aware of environmental hardships which make conscientiousness a necessary trait in motivating oneself to maintain high-quality work performance and competence under tough working conditions.

In addition, managers working in European countries (e.g., Germany, France) and Japan mainly talked about being responsible for the reason of fulfilling expectations and requirements of local business partners. For example, one manager working in France and another working in Japan responded:

> *It helps a lot to be responsible. Our local customers are very famous multinational companies in the IT industry and their staff are all conscientious in doing things and they require us to do things accurately. In order to meet their expectations, it's better to be responsible and well prepared at work which enables us to meet the strict requirements of our business partners (Marketing Manager, Male, France).*

> *The most important thing is to be conscientious. As for work, being responsible is of crucial importance. As long as they [the business*

partners] see you are responsible and hardworking, they will trust you
(Team manager, Female, Japan).

It is noticeable that European countries and Japan are more advanced economies than China. While working in developed countries, Chinese expatriates would have to interact with business partners from well-known multinationals in the global competition, which might compel them to adjust themselves and perform towards the expectations of their local business partners (e.g., following international standards, executing tasks accurately). Accordingly, high expectations of local business partners would reinforce the need for being responsible by those managers working in developed countries in order to gain trust and maintain good relationships in business cooperation. This would also facilitate Chinese managers' competence to operate on an international level and therefore, to do an effective job on international assignments.

From a knowledge-based approach, Li and Scullion (2010) suggest that local knowledge in emerging markets differs significantly from corporate knowledge in advanced markets, and its very unique nature makes it difficult to transfer skills developed from emerging markets to advanced economies. The current study extends the preceding viewpoint by suggesting that the individual characteristic of being responsible enables expatriates to be responsive to a partner's expectations and requirements, through which local knowledge can be learned and CCC can be gained subsequently. Furthermore, this study suggest that, due to the short history of internationalization of most Chinese MNEs, Chinese expatriate managers might not

have accumulated adequate experience to become a competent manager who can operate in international markets, and their lack of experience in interacting, cooperating and competing with well-developed MNEs could pose the most significant challenge for them in advanced economies (Lee & Sukoco, 2010). Therefore, in order to achieve CCC, the requirements and rules of their business partners need to be followed which might enable the Chinese managers to learn the way of doing things in those developed countries.

Managers working in South Africa, Ukraine, Belarus, United Arab Emirates, and Panama emphasized more on the need for being responsible as a result of insufficient support from headquarters. As indicated by the managers, there were inadequate Chinese expatriate members working in local subsidiaries and they had faced ambiguous responsibilities which may create heavy workloads and additional work duties. Similarly, a personnel manager in charge of expatriates in a large Chinese SOE suggested that due to limited resources and staff in overseas subsidiaries, the company would prefer to post highly-capable personnel who would be able to manage all aspects of the overseas subsidiary, especially those working in advanced economies (e.g., the US) partially because of cost concerns. Accordingly, it would be imaginable that working on international assignments would be challenging to those managers as they would be required substantial efforts at work as mirrored in the quotes below:

> *One major problem I met is that I always need to do extra work in addition to my workloads. Because there are only a few Chinese staff in charge of this subsidiary, I need to handle many emergent incidents*

besides my own work duties. For example, if a local consumer manager resigned, I need to take over that work duty and learn how to do it by actually doing it. No time for me to learn. The head office probably won't find another local manager and they would ask existing staff to fill the position directly (Team manager, Male, Panama).

The work duties in the subsidiary are not well defined, so that's why the head office emphasized a lot on a high sense of responsibility and a sense of mission for the company by us. Besides my own work, I need to monitor and take care of additional work duties that no one will take care of as the project proceeds. The head office would not tell us what to do in detail so a sense of responsibility is important for performing a good work (Team Manager, Male, South Africa).

The evidence suggests that lack of support from headquarters might also be a problem for Chinese expatriates working in advanced economies, and no clear evidence was shown with respect to whether company ownership (e.g., SOEs or POEs) would play a part in this problem. Examining MNEs in China, Liu and Ipe (2010) suggest that the support provided by the parent company is crucial to expatriate commitment and performance. Besides confirming the above argument, this study extends previous studies by examining expatriates in Chinese MNEs and demonstrates that a high sense of responsibility by expatriate managers could also facilitate performance especially when support from parent companies is inadequate. Moreover, the findings presented above also relate to the concept of role ambiguity which is the lack of clarity about the scope of one's duties, and the way tasks are distributed among staff (Black & Gregersen, 1991). According to role theory defined as Katz and Kahn (1978), it is suggested that work role ambiguity would increase uncertainty in a work context, which in turn increases the level of stress associated with cross-cultural situations and decreases the

adjustment of expatriate managers (Okamoto & Teo, 2011). Besides confirming the previous argument, the current study further highlights that role ambiguity might result from the incompetence of parent companies due to their short history of internationalization. Given the large numbers of the participants complaining of this problem, it is likely that Chinese expatriate managers might face a higher level of work-role stress than expatriates from developed countries, and therefore face more difficulties in producing desired work outcomes on international assignments.

As disclosed by the findings, there are push-pull effects in relation to the need to perform responsibility by Chinese expatriate managers. One involves the parent companies that might provide inadequate support which compels Chinese expatriates to be responsible not only for their own duties, but also for additional duties at work. At the same time, being responsible might be usually emphasized and practiced by managers in advanced MNEs, who serve as role models for Chinese expatriates. In this way, Chinese expatriate managers might be attracted to learn from their local business partners, which might assist in offsetting their lack of international managerial experience and insufficient capabilities to manage cross-culturally. The push-pull elements of being responsible add a new perspective into how conscientiousness might contribute to work performance and CCC on international assignments. Prior expatriate studies (e.g., Downes et al., 2010; Shaffer et al., 2006; Sri Ramalu, Che Rose, Uli, & Kumar, 2010) focused on an individual perspective of how conscientiousness could help expatriates achieve effectiveness at work, but neglected the external factors imposing on individuals which play a significant role in being responsible. The current

study reveals that external factors such as the host country natural and institutional environment as well as parent companies could drive the need for being responsible, which highlights the importance of both institutional and organizational elements that result in ineffectiveness and incompetence of expatriate managers on international assignments. In this way this study contributes to expatriate literature by uncovering different layers in understanding the incentives for conscientiousness being required on international tasks.

Flexible Way of Assuming Responsibility

Despite the positive aspects of being responsible, four Chinese expatriate managers (16%) working in Kazakhstan, the United Arab Emirates, Australia, and England reported negative effects of being responsible in a flexible way, as evidenced by confusion or even conflicts experienced in working with HCNs in the subsidiaries. In this regard, Chinese managers mainly talked about different ways of doing things and different perceptions held by HCNs regarding the manner of 'being responsible'. One big difference mentioned was that Chinese expatriate managers would know how to do things in a flexible way, while the foreign colleagues might be very direct and would strictly follow formal procedures, regulations, rules and plans. The quotes below provide further understanding about those differences:

> *Different cultural attitude might result in different perspectives in doing things. For example, after a work schedule being made, we think change of the plan is inevitable, as updating the schedule is not*

a big thing. However, the HCNs cannot accept that. They think any change to the plan is a big thing and they prefer to follow the original plan strictly rather than changing plans from time to time...In addition, we Chinese managers do not respect contracts as locals do. In China, although the contract is written like that, we can still be flexible. Sometimes in order to consider 'Renqing' (favours) and 'Mianzi' (face), we may or may not change written contract but act in a flexible way. In European countries, however, you need to obey the contract strictly. Even if you have very good relationship with your business partners, no changes can be made to contracts either in words on in action (General manager, Male, Kazakhstan).

One big problem is that we have a very flexible way of thinking, but the foreign colleagues have a very direct way of thinking. For example, we have a local Arab Engineer in the project quality department who might think very differently [from us]. Once I found some potential safety hazards on our construction project, and I believe most of us [Chinese] would try to hide those problems from project inspectors who have the right to fine us and then resolve these problems by ourselves within the company. We are serving the company so we don't want our company to be fined. The Arab Engineer, though also being a staff of our company, fight against me about this and insisted to inform the inspector about the problems. I really can't understand why he would report to the inspector. We all think that out company provides him salary so he should first consider the interest of the company. But he didn't think like that. He believed that hiding the problems was wrong so must be resolved regardless of the interest of the company. We know according to the regulations all safety problems must be reported to the inspector, but thinking from the company perspective, we wouldn't do that (Team manager, Male, United Arab Emirates).

In an empirical study of 332 expatriates working in Malaysia, Sri Ramalu et al. (2010) argue that expatriates with greater conscientiousness will adjust better to work requirements on the international assignment. By unveiling the negative effects of conscientiousness on CCC, this study extends Sri Ramalu et al. (2010)'s study by suggesting that conscientiousness not only has a positive influence on CCC, but also has

negative effects in certain situations. Shaffer et al. (2006) in their empirical study found conscientiousness had no detectable connection to effective outcomes on international assignment, but failed to explain in which situations conscientiousness has reduced capacity to promote effective job-related behaviour. The findings of the current study extend Shaffer et al. (2006)'s findings by suggesting that different cultural values within a cross-cultural workplaces might result in different manners of assuming responsibility by the Chinese expatriates and their local employees (e.g., flexible way versus straightforward way), which could cause conflicts and reduce expatriates' capability to produce effective work outcomes. This indicates that Chinese expatriates' mindsets and perceptions on corporate governance might be incompatible with host cultural expectations which emphasize rule-based rather than people-based business practices.

According to the Chinese expatriates, they prefer to believe that rules can be adjusted and they may take it for granted by making flexible changes to existing plans, documentations or regulations for different purposes such as maintaining good relationships with business partners and saving face for oneself or others. On the other hand, HCNs in Western countries might strictly follow existing regulations and put personal responsibilities ahead of social relationships. Such differences in assuming responsibilities might be strongly associated with the managers' Chinese or Western cultural roots. One could be the interpersonal relationships (i.e., *guanxi*) that are perceived as more important than formal market-based institutions (e.g., regulations, rules) by Chinese managers as interpersonal networks are perceived as corporate governance mechanisms through which business operations are conducted (Lin, 2011;

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Yang & Wang, 2011). Due to under-developed market-based institutions, '*guanxi*' (interpersonal networks) cultivated by managers serves as an informal substitute for formal institutions (Peng et al., 2008), through offering 'favours' and saving 'face' to gain trust and win business opportunities which assist dramatically in achieving good organizational performance (Ho & Redfern, 2010). Although such '*guanxi*' connections have been found to play a reduced role as a result of the gradual transition of the Chinese market to a market economy (Peng & Luo, 2000), the findings contribute to the literature by suggesting that Chinese managers' mindset is still characterized by the belief that interpersonal relationships are more important than legal documents. However, when managing in foreign markets, this mindset might cause problems in understanding HCNs' behaviours and also create barriers for HCNs to following their Chinese managers' way of thinking. Often, Chinese managers believed that individuals with a high sense of responsibility would be able to consider other's feelings and save face of others particularly by doing things in a flexible way (e.g., ignoring or changing existing regulations) to maintain harmonious relationships. Nonetheless, such behaviours might be viewed in advanced economies as not fulfilling one's responsibilities.

Secondly, the flexible way of doing things might be strongly associated with the cultural traditions of collectivism in Chinese society. As argued by Chen and Miller (2010), collectivism is a salient aspect of Chinese business practice as China places more emphasis on the collective whereas the West focuses on the individual. Therefore, in terms of assuming responsibility, HCNs from Western countries might put individual

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responsibility as first priority by complying with existing regulations and rules, while the Chinese members might emphasize group harmony/achievement yet ignore individual responsibility. As can be seen in the quote above, the manager in the United Arab Emirates indicated the intention to ignore one's responsibility in order to avoid fines for the company's benefit. However, such behaviours might be destructive to the company's long-term benefit as this will cause serious problems with the public image of the company and the failure of a manager for not fulfilling one's responsibilities. This highlights the different mindset of the Chinese managers which has been strongly influenced by the collectivist ideology. Further, due to the relatively low status of economic development despite a speed-up in the last decade, the Chinese economy is suffering poverty which results in a high appreciation of money and practicability (Qin, Ramburuth, & Wang, 2008). However, short-term financial gain through such flexibility will not be a sustainable way to measure organizational performance. Chinese expatriate managers need to be aware of their cultural roots (e.g., face saving, group-oriented culture, pragmatism) influencing their decision-making and behaviours that could cause problems when managing cross-culturally.

5.2.2 Hardworking

Besides being responsible, conscientiousness is also interpreted as being hardworking by seven Chinese expatriate managers (28%) working in England, Poland, Australia, Thailand, Kazakhstan, United Arab Emirates, and South Africa respectively. According

to those managers, being 'hardworking' was mainly interpreted as being diligent and spending more time on work-related tasks.

Diligence

According to Chinese expatriates (24%), the dispositional character of diligence is needed for meeting expectations of headquarters. As the performance appraisals are provided by the Chinese headquarters, the expatriates indicated that they need to work hard or/and work overtime to cope with workloads if they wanted to get promotions. Willingness to work hard has also reflected by the fact that almost 90% (22 out of 25) of the participants admitted that they would be willing to work extra hours to meet urgent deadlines, or to achieve better results on tasks, indicating the first priority of work perceived by Chinese expatriates. This viewpoint can be seen from the response of a manager working in Australia below:

> *If there are urgent deadlines, or heavy workloads assigned by head office, I would be willing to work extra hours or work on weekends to accomplish the tasks on time. The locals probably wouldn't do that. We Chinese are result-oriented and they are quite life-oriented. They are more prepared to enjoy life and relaxation (Corresponding manager, female, Australia).*

The major incentives offered by participants for being diligent focused on two broad factors: One is to achieve desire outcomes at work, as suggested by the literature (e.g., Downes et al., 2010; Shaffer et al., 2006), and the other is the intense competition within the Chinese market due to a large labour population base the value of

hardworking, which relates to the Chinese background. For the first incentive, it has been argued in literature that expatriates who are willing to spend more time on tasks would be able to meet job expectations (Sri Ramalu et al., 2010), and such work-oriented behaviours would enable them to adjust better at work (Shaffer et al., 2006). The current study provides corroborating evidence from the Chinese context to prior arguments which were mainly developed from advanced market economies. The other important incentive identified is rarely discussed in literature. Participants in the expatriate group emphasized that the notion of being 'hardworking' is formed when they were very young, due to the huge population base of China and the intense competition in every aspect. The vast majority of Chinese workers are used to working overtime to secure a job, and the findings suggest that managers from China are managing abroad with a mindset impressed by the importance of hardworking and endeavour. Therefore, it is demonstrated that context-embedded factors of the home country, such as the traditional values and norms, and the growing competition in China could impact the behaviours of expatriates and result in the perception of hardworking as an antecedent of CCC. However, such an attribute might also cause problems which are reported below.

Over-time Working

Almost all the Chinese expatriate managers who participated in this study (22 out of 25) indicated working overtime as an important way to show one's hardworking attitude. However, those managers also reported different perceptions of HCNs on working

overtime and the problems they experienced when asking local employees to work extra hours. It was stated by expatriate managers working in a wide range of countries including European countries (e.g., Poland, England), African countries (e.g. South Africa, Angola), Asian countries (e.g., Thailand, Kazakhstan), and American countries (e.g., Panama) that most of the local employees would refuse to work extra hours even if their managers require them to do so. The Chinese expatriates have identified different perceptions held by HCNs in respect to working hard, which can be seen from the direct quotes below:

> *We think that working extra hours is a good way to show diligence which is definitely a good thing in the Chinese culture and will be valued much by managers. The Westerns, or the Thai, might have very different values. They believe that accomplishing tasks within 8 hours on business days together with doing the tasks well, would be more important than working long hours (Marketing manager, Male, Thailand).*

> *I work very hard everyday to achieve good results and tend to get promoted in the long run. The foreign colleagues cannot understand that at all. They seem to have their own way of behaving themselves. They don't think working hard and working extra hours is a way of showing competences. Instead, they think if they can accomplish assigned tasks within a required period of time, that's fine. They don't work as that hard as the Chinese would do (Team manager, Male, United Arab Emirates).*

Except those in Japan, local organizational members from foreign countries were described as not working as hard as their Chinese managers and they might not have the same notion of striving for success as the Chinese members. Several foreign colleagues indicated that they did not perceive working long hours as an effective and appropriate

approach to show conscientiousness and to achieve desired working outcomes. Interestingly, only the local Japanese organizational members were stated to get used to working long hours on a daily basis (e.g., 10 or 11 hours), which required the Chinese expatriates to work much harder than they used to.

As stated by participants, such different work values came from the way of thinking cultivated from one's home-country context within which one grew up. For example, one Chinese manager explained: "The pressure of competition in China is so high. For one position, many people will compete for it and all of them want to perform well. The locals do not have that pressure. They do not have that pressure on life or on work either". Accordingly, the findings suggest that China's large population might act as a strong driver for Chinese expatriates to work much harder than people from most of the other countries, which might cause potential problems in daily work interaction on international assignments. Therefore, the findings extend previous studies of expatriate personality (e.g., Downes et al., 2010; Sri Ramalu et al., 2010) by suggesting the influence of home country institutional factors on the perceived importance of certain traits such as being conscientious and hardworking.

The above finding is further validated by statements and viewpoints of interviewees from the foreign colleagues group. Of all the foreign colleagues in this study, none listed conscientiousness and hardworking as a contributor to CCC of their Chinese managers. Rather, this personality was expressed as a potentially destructive factor for CCC, if the Chinese expatriates were not able to balance the local cultural expectations

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on work and their own working attitudes. For example, six out of fifteen local employees working in Poland (1), England (1), Germany (1), Thailand (1) and Australia (2) expressed the pressure they had experienced while working with the Chinese expatriates. Just as one Australian employee said:

> *When it comes to things like working over time, working weekends, we have strong cultural kind of resistance to that kind of thing, and actually we really don't use spare time a lot [at work]…yeah, I think the Chinese people have a stronger work ethics than Australian people, and I suppose many Chinese managers coming here will have to be sensitive to that because if they can't hear and they expect their workers you know work 12 hours a day whatever as their workers in China do, no people gonna put up with that, they just gonna repel against that kind of really strict authority maybe there is in Chinese companies I'm not sure, but…yeah, they need to be a bit more relaxed I guess (Australian Employee).*

Furthermore, it has been suggested in studies that 'spousal adjustment problems' could be the most significant cause of expatriate failure when studying expatriates from the US, European countries, and Australia (Cole, 2011; GMAC Global Relocation Services, 2008). This indicates the important role played by the spouse in expatriates' career development as well as in their family life (Lauring & Selmer, 2010). However, the current study provides insights different from previous studies by suggesting that Chinese expatriate managers might put work as their first priority over their family lives as reflected from their hardworking attitudes. According to the Chinese family-based work ethics (Redding, 1993), extra work besides working hours is a sacrifice made for the overall benefit of the family rather than a sacrifice of the family for the selfish pursuit of one's career. The current study provides partial support for the above

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viewpoint and extends such Chinese family-based work ethics to the expatriate group. In addition, as suggested by participants in the Chinese expatriate group, most of them who were married were not supported by the parent company to have their spouse accompany them (10 respondents), resulting in a high proportion of separation of the expatriate families. Those who were single (12 respondents) also complained of the difficulties in maintaining or starting relationships due to the far distance from the home country. This relationship-related problem was claimed to be a very influential problem on psychological well-being of those managers. It is another possible reason for the Chinese expatriates to work very hard as they have limited personal lives on international assignments.

Despite several reasons for hardworking, it is important for the Chinese managers to be sensitive to different cultural attitudes while managing in overseas subsidiaries, in order to create a positive and tension-free environment at work. Otherwise they would possibly be repelled by local employees for the pressure of a heavy workload and strict authority and therefore, relationships could be damaged which would reduce their work effectiveness and development of CCC directly (Templer, 2010). Such resistance may arise not only from local employees, but also from local media. A Chinese expatriate manager working in Poland had reported problems with local media that had posed a very negative image on the Chinese company for operating extra hours during weekends and public holidays, although only the Chinese staff were at work rather than the local organizational members. It is interesting to note that the attitude of hardworking that is appreciated by the Chinese managers might cause problems not only in manager-

employee relationships within the company, but also in company-society relationships via negative local media reports in the organization's external environment.

Different expectations on hardworking might be another situation in which conscientiousness will be able to reduce expatriates' productivity and CCC. If working long hours is not consistent with the local working culture and exceeds what locals might expect, it may create negative feelings and resistance from HCNs or even local media to fight against such work-related pressure. Hence it is important for Chinese expatriates to understand that although hardworking would produce satisfactory work outcomes under certain circumstances, it may also cause problems if there is any deviation from local cultural expectations. For instance, if they work in Australia or other Western countries where the locals value work-life balance and are not used to too much overtime work, the Chinese managers should perhaps not work long hours as they do in China. On the other hand, if they work in Japan, possibly they can work much longer hours as the local Japanese usually do (as demonstrated by participants in Japan). Prior studies (e.g., Downes et al., 2010; Hogan & Holland, 2003; Shaffer et al., 2006; Sri Ramalu et al., 2010) focused on explaining how conscientiousness assisted in effective work performance on international assignments, but neglected the negative effects of this personality on CCC development. The current study contributes to identifying the destructive effects of conscientiousness in respect of being responsible and hardworking, and further disclosing the reasons for such destructive effects by highlighting the unique mindset of Chinese managers (e.g., high appreciation of hardworking, flexible way of doing things) influenced by the Chinese institutional

environment that might differ greatly from those of the HCNs. Such differences are argued to result in conflicts and problems which pose significant challenges for Chinese expatriates to achieving effectiveness at work on international assignments, not to mention the development of CCC.

In summary, the trait of conscientiousness is needed for Chinese expatriates in the development of CCC for several reasons, which includes the need to overcome task-related problems, lack of support from parent companies, and also the need to comply with host regulative requirements. More importantly, the findings highlight that while managing on international assignments, being responsible and hardworking with a Chinese mindset might potentially cause problems as different cultural expectations exist in different host countries. Thus it would be of importance for Chinese expatriate managers to first consider cultural attitudes that accommodate local expectations, and then adapt themselves accordingly to avoid cultural incompatibility and to develop their CCC gradually.

5.3 Openness

Openness is another important personality trait that contributes to CCC according to the participants in each group (e.g., Chinese expatriate managers, foreign colleagues, and other related people). For the Chinese expatriates, openness was mainly interpreted as the attribute of being able to drop one's own mindset and be able to understand the way of doing things by other organizational members coming from different cultural groups

(60% interviewees). For the foreign colleagues, seven out of fifteen (47%) emphasized the importance of listening in achieving CCC, although Chinese expatriates may not be able to perform competent listening behaviours as indicated by local employees. Cross-cultural consultants (70%) have also provided corroborate evidence which highlighted the importance of an open attitude to assist managers to manage effectively on international assignments.

5.3.1 Open-mindedness

Five Chinese managers, working in Australia, England, Kazakhstan, Kuwait and Congo respectively, emphasized the importance of an open mind in assisting their understanding of local employees' behaviours and ways of thinking which is necessary in achieving effectiveness at work and consequently, CCC on international assignments. According to those managers, an open mind is an open attitude to make sense of different perceptions and behaviours of HCNs, and then make a judgement accordingly.

It is very important to be non-judgemental of the new environment and of the foreign colleagues. In this study, several Chinese expatriate managers mentioned the importance of not being prejudiced and judgemental while interacting with host nationals in the workplace. Coming from different cultural backgrounds, Chinese expatriates and the local colleagues could easily misunderstand each other on how things are being done. This would increase their difficulties in working effectively with foreign colleagues and employees which would hinder the achievement of CCC. If Chinese expatriates could

be more aware that their mindset and perceptions may be greatly influenced by their own cultural background and experiences, they would be careful to avoid their stereotypes and try to be non-judgemental in order to facilitate CCC development. As one expatriate in Australia commented:

> *In order to maintain good relationships with foreign colleagues, you must have a good mental attitude and you can't look at others through your own cultural filter. You need to develop insights into the foreign colleagues and be able to understand them. Often, the local employees cannot finish tasks on time, but they still refuse to work overtime to catch up their progress. I got really angry sometimes, but I still need to understand. Here they do not have the culture of working overtime. Only in this way can I have a non-judgemental mindset. So if you can do that, you can understand them better (General Manager, Australia).*

Cheng and Lin (2009) argue that open-minded expatriates enter a host country with fewer stereotypes when facing different social norms and customs, thus it is easier for them to fit in to the new environment with an appreciation for local social practices. The current study confirms that, but highlights the difficulties facing Chinese expatriate managers while trying to be non-judgemental towards local colleagues. As demonstrated by the general manager in Australia, they may get angry at work for the reasons that the local staff cannot accomplish the tasks on time and are not dedicated to work as the Chinese people do. Instead of becoming angry, the Chinese expatriate managers could adapt their own expectations and try to understand and tolerate the working attitudes of local employees (i.e., do not perceive locals' delay of work as lazy). Being non-judgemental helps the Chinese expatriates perceive locals' behaviours appropriately, which will greatly contribute to their effectiveness at work and CCC.

Another manager working in England indicated her difficulties in adapting to local practices, which highlighted the need to be open-minded to make sense of local practices. She stated:

In order to function effectively, I really need to be open and follow local practices here. Sometimes, it is difficult to understand their [the locals'] ways of doing things. I don't like the complex procedure here. For example, even if I want to book an airline ticket, I need to fax the agent to get a quotation, ask our admin staff to sign on that quote, and fax the agent again for confirmation of the booking. It's a small thing but according to the procedure, you need to fax several times. It's quite different from how things are being done in China, we can just call and book a ticket easily. (General manager, Female, England)

Together with the Chinese expatriates, cross-cultural consultants also pointed out the importance of being open-minded by the Chinese expatriate managers. As one consultant mentioned:

The attitude of openness, which means the extent to which one would accept different opinions, is very important for becoming a competent manager cross-culturally. If the manager is willing to accept cultural differences, and he or she is willing to listen, it would be easy for him or her to gain trust from local people and maintain good relationships with HCNs (Cross-cultural consultant, Male, China).

Another consultant expressed similar viewpoints but felt that it would be difficult for many Chinese expatriates to change their minds, which the consultant had observed from his interactions with Chinese managers from work and training sessions.

5.3.2 Interested in New Things

Three Chinese expatriate managers working in Japan, Germany and Congo indicated that being interested in new things, or in other words, being curious about the new environment rather than being fearful, helped them a lot in achieving CCC. For example, the team manager in Germany responded:

> *A desire to learn is very important [for achieving CCC]. In other words, you need to be interested in new things and willing to take time and energy to learn them and understand them. It will be beneficial for you as long as you take time to learn. This will increase your ability to accept new things of the outside environment... If you are not interested to know and not interested to learn, you won't be able to have a wide range of vision (Team manager, Male, Germany).*

The statement above indicates that a willingness to learn new things in a different culture helps Chinese expatriates to be open-minded with a positive attitude. This helps them understand the local culture and HCNs' behaviour which contributes to the achievement of effective networking and communication with locals. In Templer's (2010) study of expatriate subordinates, it is suggested that openness is perceived as an important personal attribute relating to expatriate work adjustment, subordinate commitment, subordinate job satisfaction, and unit performance. The current study not only supports Templer's findings but also emphasizes that being interested in new things, which is an important aspect of openness, could assist in understanding of the local culture generally and HCNs' behaviours specifically. Therefore, this attribute could greatly accelerate the development of CCC. In addition, the current study extends

the sample of the expatriates in previous studies to include the Chinese ones who are rarely being examined.

5.3.3   Effective Listening

Although some Chinese expatriate managers realized the importance of openness, foreign colleagues have pointed out that some Chinese managers were not willing to listen to employees' suggestions, which could hamper their competence at work. More than half (60%) of the foreign colleagues who participated in this study emphasized the importance of listening by Chinese managers to achieve a successful outcome not only at work, but also in social interaction with locals. However, those foreign colleagues mainly found their Chinese managers did not possess appropriate listening competencies, which not only undermines their openness but also result in distrusts between expatriates and HCNs. For example, a Polish colleague who has been working with Chinese managers for more than 5 years commented:

> *The biggest problem is that some of the Chinese managers are stubborn. Take the ones in charge of our construction team for example. Sometimes, the polish colleagues tried to tell them how to do things correctly in Poland and tried to make contributions to the project. However their managers probably won't listen. They still do things based on their own thoughts even though the construction techniques in Poland are different from those in China. This also relates to the issue of "face", neither the Chinese side nor the polish side wants to give up and want to lose face.… So I found sometimes, the Chinese managers just pretend to listen, but still do things based on their own thoughts (Polish colleague, Male, Poland).*

Another Australian employee working with Chinese expatriate managers also stressed the importance of listening:

> *I think good Chinese managers should be able to listen, and then comprehend the problems. If you understand the problem, then everything there is simple. So you got to understand the culture of the country and the person as well. Then it comes down to take from that and think about what you need to be able to do---to fix problems or to move forward or whatever (Australian employee, Male, Australia).*

As indicated by foreign colleagues, their Chinese managers were not willing to accept suggestions from local employees, which results in a loss of information which might be useful and valuable to the work. One reason for this might be the manager's intention to preserve 'face' by insisting on his/her own ideas, as suggested by the Polish employee. In this way, the notion of saving face embedded in the Chinese business operations (Cheng, Rhodes, & Lok, 2010) would be a barrier for achieving openness in cross-cultural interactions by preventing the managers from accepting new opinions from local employees, and further cause problems in coping with local situations and maintenance of relationships with HCNs. In addition, the problem with listening might also be related to the manager's inability to understand the information received from local employees due to cultural differences, or maybe language.

Based on a behavioural model of listening, Brownell (2006, 2008) recognizes four steps in competent listening behaviour which includes hearing, understanding/interpreting, remembering, and responding. As suggested by the foreign colleagues in this study,

Chinese managers might 'pretend' to listen, but would not accept the suggestions given to them and would not respond any further. Accordingly, Chinese expatriates might just perform the first step in listening---hearing, but failed to perform the following important steps in competent listening behaviour including understanding, remembering and responding. Although those managers may have difficulty in understanding the message, their communication styles (i.e., indirect communication) and the intention to save face could further prevent them from discussing the message with HCNs as a follow-up. Such insufficient responses from Chinese expatriates not only result in misunderstandings between expatriates and HCNs, but also results in an inability of information sharing within the organization. Therefore, incompetent listening behaviours were emphasized as a reflection of lower levels of openness which would hinder the development of CCC.

In summary, the findings show that openness contributes to an understanding of the local culture and assists in making sense of HCNs' behaviours in the workplace, which in turn facilitates the development of CCC. This is congruent with prior literature on Western expatriates (Cheng & Lin, 2009; Downes et al., 2010; Templer, 2010) and this study confirms the positive influence of openness on CCC from the Chinese perspective. Moreover, this study provides deep insights on the negative influence of the indirect communication pattern used by the Chinese expatriates not only on their listening competencies but also on effective information sharing and relationship building with HCNs. Such indirect communication patterns might be influenced by the Chinese

Confucian cultural roots which are indicated to have posed barriers to Chinese managers to becoming competent cross-culturally.

5.4 Endurance

Although working in a foreign country may always be accompanied by personal problems (i.e., homesickness), the personal lives of Chinese expatriate managers were expressed to be unfulfilling or even unpleasant by almost all of the participants. They emphasized that persistence and endurance were needed to deal with such personal lives. More than one half of the expatriates (eighteen out of twenty-five) complained of a boring and lonely personal life besides work, and all the expatriates except one in Belarus admitted that they had very limited socializing opportunities in host countries. Foreign colleagues and expatriate supervisors did not emphasize the importance of endurance as they might not have a deep understanding of those expatriates' personal lives. The reasons for such an unpleasant personal life of those expatriates may vary from country to country, but are largely focused on the following aspects reported below.

5.4.1 Language Barriers

The managers working in France, Poland, Kazakhstan, Ukraine, Algeria and Panama emphasized the problem of language barriers while trying to engage in social lives in the respective host countries. Most of the Chinese expatriates were stated to have

possessed English-speaking skills only, as English was regarded as the official language in workplace in almost all of Chinese MNEs' overseas subsidiaries. However, in non-English speaking countries as listed above, the social interactions of expatriates were greatly limited due to language barriers, although general living in host countries was not regarded as a major problem. For example, one manager in Poland responded:

> *We live together in the accommodation provided by the company and we can either cook by ourselves or eat in Chinese restaurant here. In regard to shopping, I can just go to supermarkets and grab daily food and groceries and I don't really need to understand the Polish on the label. I can tell by actually seeing them. But life is still boring. We have very few friends with local people. Language is the biggest problem. I can't communicate and socialize with locals as I can't speak Polish. We have some Chinese expatriates here who had learned polish as a major in China or had prior studying experience in Poland, and they have Polish friends here so I think they adjusted better than me (Project manager, Male, Poland).*

Other managers working in non-English speaking countries also expressed their difficulties in socializing with HCNs and claimed that the lack of local language skills was the most important barrier. The managers in Kazakhstan and Ukraine said that they tried to learn Russian, but still it was regarded as difficult to learn a second foreign language beside English and once they finish the international assignment and repatriate to China, they would forget the local language quickly. The managers in Poland and Panama indicated that they did not possess strong incentives to learn local languages as they were just assigned to the assignments for one or two years. Instead of learning local languages which consumes a lot of time and energy, most managers would much prefer to put effort in improving their English skills which play a vital role in meeting

job expectations of their further career development as an international manager. Therefore, it would be likely that the unsuccessful non-work adjustment would last for a long time given the difficulties that exist in learning and using the host language by Chinese expatriates.

Several studies suggest that local language proficiency acts as a significant predictor of expatriates' work performance and interaction adjustment in the host country (Kim & Slocum, 2008; Peltokorpi, 2008, 2010). The findings in the current study confirm the importance of local language proficiency in Chinese expatriates' interaction and friend-making with HCNs, and further highlight the incapability of speaking local languages by the vast majority of Chinese expatriates which might add to ineffectiveness in socializing in the host society, and psychological stress and discomfort that requires endurance to resist such a boring personal life.

5.4.2 Safety Concerns and Religions

In addition, managers working in some of the African countries emphasized that safety issues might be a big concern that obstructs them from socializing with HCNs in the host society. For example, the managers working in Algeria and Congo suggested that the host country was turbulent in terms of political power and public security. For safety concerns, the Chinese expatriates were not allowed to go out after work unless further permission was given from administrative departments. Under such strict administrations, the expatriate managers indicated challenges in terms of their

psychological wellbeing and endurance. It may also result in expatriate failure as reported by one manager in a construction company working in Algeria below:

> *We live in a large courtyard with armed force to ensure our security, and we are not allowed to go anywhere after work for safety issues. It's so boring! Some of my colleagues cannot tolerant such a life so they went back to China without accomplishing their tasks on the international assignment. I felt life here is greatly being restricted (Project manager, Male, Algeria).*

Previous studies have emphasized family problems and adjustment problems as major reasons for expatriate failure (Cole, 2011; Harzing & Christensen, 2004; Neyer & Harzing, 2008), but the host safety issues were not well explored in terms of their influence to expatriate competence. This study contributes to expatriate literature by identifying safety concerns in certain host countries as a reason for expatriate failure, and also by identifying the role of endurance as a useful attribute in dealing with difficult safety environments.

Besides safety issues, managers working in Islamic countries (e.g., Kuwait, United Arab Emirates) stressed the influence of religions on CCC. It is believed that host religions such as Islam would make Chinese expatriates out-group members and pose them significant challenges in building relationships and making friends with locals. This is in line with literature that suggests cultural differences are prominent challenges for expatriate adjustment (Cerimagic, 2010; Okpara & Kabongo, 2011), but this study provides empirical evidence on the strong influence of religions on expatriate

performance and competence. For example, one manager in the United Arab Emirates mentioned that in the host country, the locals would expect their friends to have the same belief in Islam so they would not accept Chinese expatriates who do not believe in any religions to be their friends. On the other hand, Chinese expatriates also mentioned that they did not get used to the living styles in Islam countries, which makes it very difficult to fit into local societies. Just as one manager commented:

> *It is very difficult to fit into the local society. There are huge differences in religion and races between us and the local people. Most of the locals are Moslem and they wear very long dress that covers the whole body. Our appearance and clothes just make us look like alien here. In addition, they don't eat pork and don't drink many things, which are very different from us. The strong beliefs in Islam by HCNs really make it difficult for us to fit in the local society (Project manager, Male, United Arab Emirates).*

5.4.3 Limitations to Social Interactions

Due to the above reasons, several Chinese expatriate managers stressed that working overseas with such a boring personal life really challenged their endurance. This might contribute to poor adaptation in the host society. As one Chinese expatriate manager in Algeria commented:

> *I have been on this international assignment for a year, and this project really challenges my endurance. Unlike working home where you have many fellow colleagues to communicate, here in the unfamiliar environment, you just have a small group of other Chinese expatriates on the same project to socialize with. In addition, we've got no entertainment at all, which really requires endurance to be able to endure loneliness (Project Manager, Algeria).*

Similarly, another manager in the United Arab Emirates expressed the same feelings:

> *The personal life here is pretty boring. While in China, I can go out with friends and eat out, while all of those cannot be realized here. I can just play with computer after work, and that's it.…Very very bald. Just as I said, the biggest challenge of working overseas is to deal with such a boring life. Our activities are constrained within three places everyday---eatery, work place and dormitory. Someone can hold on [such a boring life], while others can't. Those who can hold on will have more opportunities to succeed on international assignments compared to others. Although no one would like to live such a life, it's our choice to work overseas and we have to be able to persist (Project Manager, the United Arab Emirates).*

In summary, the findings highlight that Chinese expatriate managers might not be well adjusted to local environments from a non-work perspective, which could be attributed to a range of reasons. In non-English speaking countries, the managers would not be able to socialize with locals mainly because of their inability to speak local languages, while they might also face similar problems in English speaking countries due to English language deficiencies and more importantly, different cultural backgrounds as indicated by the participants. In African countries, the problems of fitting into local environments might be caused by turbulent political status and safety issues in the host countries, while in the Middle East, managers might face significant problems in interacting with locals due to the strong influence of religions. Although triggered by different reasons, the problem of unsatisfactory personal lives is emphasized by almost all the expatriates which indicates a lack of CCC from a non-work perspective.

The negative feelings derived from non-work lives might affect the overall performance of the manager and reduce their managerial effectiveness at work. Farh et al. (2010) argue that expatriates working abroad must form network ties in the host country to obtain critical informational and emotional support resources, in order to alleviate stress and facilitate adjustment. The current study highlights that for Chinese expatriate managers, their stressors and psychological discomfort were mainly associated with boring and dull personal lives rather than the challenging tasks on international assignments, thus endurance is needed to maintain a positive emotional state for desired job performance. In addition, most of the managers were not accompanied by a spouse/family which was mentioned to have heightened the problems of limited social interactions. The findings could also be applied to expatriates from other countries to be aware of their non-work adaptations that impose direct or indirect influence on their work performance.

5.5 Conclusion

This chapter reported the findings for the first research question raised in Chapter Three which aims to investigate what personal attributes contribute to CCC of Chinese expatriate managers and how these attributes contribute to CCC. Based on the interview data, three main personal attributes were identified including Conscientiousness, Openness and Endurance. Conscientiousness was mainly reflected by being responsible and hardworking, which was emphasized to be able to contribute to work performance on international assignments. However, Chinese expatriate managers could perform

those attributes inappropriately while managing foreign subordinates. The reasons for those problems and the implications for literature and practices are also discussed. Further, Openness is reported as another important personality trait with an emphasis on listening competencies. Although recognizing the importance of openness, it was indicated that Chinese expatriates were not capable of performing competent listening behaviours which might be related to their indirect communication styles and the intention of 'saving face'. Finally, the attribute of endurance was identified as a result of unpleasant personal lives on international assignments. Findings on this attribute highlight poor CCC development from a non-work perspective where endurance is needed to deal with stress and other negative emotional outcomes. The reasons for those socializing problems are also analysed and reported.

CHAPTER 6 PERSONAL SKILLS FOR CROSS-CULTURAL COMPETENCE

6.1 Chapter Objectives

This chapter presents findings for Research Question Two of the study. This question intends to identify the significant personal skills that contribute to CCC of Chinese expatriate managers, and how those skills contribute to CCC. By analysing data collected from 50 interviews, four well emphasized themes emerge as important personal skills that contribute to CCC. The four significant skill clusters are communication skills, interpersonal skills, perceptual skills, and coordination skills respectively.

Section 6.2 presents findings on communication skills, which include not only local language skills as a precondition, but also include the ability to correctly understand culturally embedded cues and phrases in communication. Section 6.3 reports findings on the skill cluster related to interpersonal skills based on evidence collected from different sources. Similarly, Section 6.4 and Section 6.5 provide research findings on perceptual skills and coordination skills respectively and also the mechanisms through which those skills facilitate or suppress the development of CCC. Finally, Section 6.6 provides a summary of all the major findings in this chapter. Each of the major findings for research question two is reported separately.

6.2 Communication Skills

In evaluating the core skill clusters that contribute to CCC, communication skills emerge as the most important one. This was well emphasized by all the Chinese expatriate managers, 80% of the foreign colleagues (12 out of 15) and most of the expatriate supervisors in MNE headquarters. As indicated by informants, communication skills included not only local language skills, but also an ability to both understand cultural differences in communication, and use certain techniques to reconcile those cultural differences. The findings for this skill cluster are reported below.

6.2.1 Language Skills

Local language skills are believed to serve the basis or 'bedrock' of communication in a cross-cultural context, while fluency in local languages is emphasized because it is perceived as being able to affect the quality of communication to a large extent. Twenty-two of the Chinese expatriate managers out of 25 expressed the importance of the ability to speak the local language while working on international assignments, as did 33% of the foreign colleagues. Indeed, efficient communication depends on a common language used by both Chinese expatriates and HCNs in the work place. Usually, English was prescribed as the working language in Chinese overseas subsidiaries, so English proficiency was believed by most of the managers to be an important factor in facilitating work progress and the development of CCC. However, it appears that managers working in non-English speaking countries (e.g., Poland, Panama)

were likely to face more difficulties than those working in English speaking countries since both Chinese expatriates and HCNs were not using their home language in workplace communications. For example, one manager working in Thailand commented:

As we use English to communicate, the differences in speaking English between locals and us will impact on the effectiveness of communication significantly. Normally the English ability of our Chinese expatriates is not very good, nor is the HCNs. Maybe we are not bad in reading and writing, our oral English is bad as we do not have many opportunities to practice in China. So when we start the work on international assignments, there are many occasions when we can't accurately express our ideas which created problems for communication. For example, sometimes I don't know how to express my ideas in English, sometimes I thought it could be expressed like that, but the locals just cannot get me (Marketing managers, male, Thailand).

Similarly, a manager in South Africa also expressed the problems he had experienced due to language barriers.

Although the official language in South Africa is English, local people here still have their native languages by different ethnical groups. Sometimes in the meetings, they just use their native language to communicate among themselves, and I became angry because I can't understand what they are talking about. I feel excluded and being treated with racial discrimination (Team manager, male, South Africa).

As indicated by those managers working in non-English speaking countries, language barriers were perceived as a result of the inability to achieve English proficiency by both the Chinese expatriate managers and local employees. This has created problems in

communication which appear to slow the information sharing among organizational members, and further increases psychological distance between Chinese expatriates and local employees. What is worse, this is likely to result in disputes between these two parties mainly because they do not understand each other. Thus work progress and the various relationships that underpin work activities are likely to be hampered significantly.

In English speaking countries, problems due to language barriers were also discussed by the Chinese expatriate managers, although they were not as serious as for those working in non-English speaking countries. One manager in Australia stated that as English is the mother tongue of local subordinates, her foreign colleagues in the workplace could more easily understand her meaning even if she did not speak perfect English. In this way, the purpose of communication such as exchanging information and assigning tasks could easily be achieved in the workplace. However, language skills are still very important as stressed by foreign colleagues in those English speaking countries. For example, one Australian employee stated:

> *Language skills are critical. Chinese is not well spoken amongst Australians, the communication is important so it's really necessary that people come to our culture do speak our language to be able to manage. While trying to manage a group of people, it would be extremely difficult without speaking their language very well. So I think language proficiency enables people to work with confidence, as they understand what you are talking about. So it's important (Australian employee, male).*

According to the literature, the ability to speak the local language is regarded as a fundamental element of communicating with HCNs from which expatriates learn about appropriate work values and appropriate behaviours in the workplace (Khan et al., 2011). In empirical studies, proficiency in speaking the local language is also found to be significant in contributing to work performance of expatriates (Kim & Slocum, 2008; Peltokorpi, 2010). In line with the literature, this study confirms the importance of possessing local language proficiency in achieving effective outcomes on international assignments, but also highlights the scenario that a certain proportion of Chinese expatriate managers do not possess such skills at all (e.g., those working in non-English speaking countries). It is evident that the vast majority of Chinese expatriate managers can speak only English although quite a few of them are working in non-English speaking countries. In addition, some of the Chinese expatriates perceive local language skills as "icing on the cake" rather than a necessity. As stated previously, the lack of local language skills significantly constrains the social interaction of expatriates in host countries. The findings suggest that for Chinese expatriates, English skills are regarded as the most important factor in communication rather than the local language if it is not English (i.e., French, German). They appear to have not fully realized the importance and necessity of speaking local languages in the development of CCC.

6.2.2 Understanding Cultural Difference in Communication

As indicated by both the Chinese expatriate managers and their foreign colleagues, communication refers to something beyond language skills. It is to a larger extent, an

emphasis which stresses the importance of understanding the cues and information embedded in the host culture, and the mode of thinking by the host nationals in their work and non-work activities. Almost half of the Chinese expatriate managers (12 out of 25) stressed the importance of being aware of the contextual meaning of the spoken words in cross-cultural communication, stating that the most important information was usually embedded in the context rather than being presented literally. Thus, despite speaking the same language, the Chinese managers and HCNs may still have problems in correctly understanding each other, which results in difficulties in effective communication. One distinct problem for the Chinese expatriate managers is the perceived lack of correct understanding of culturally embedded meanings of some words beyond their literal comprehension. For example, one manager working in South Africa indicated that "making a plan" in the host country had a potential meaning of "taking a bribe". When the Chinese expatriates set about drawing up a plan of their cooperative schedule with their business partners, they were misunderstood by HCNs as asking for a bribe. From the surprised expressions on the faces of their business partners, the Chinese managers finally realized that "making a plan" could be perceived as "asking for a bribe" in the host country. Hence they argued that effective communication not only includes whether one can communicate in a foreign language, but also includes whether one can correctly understand the culturally embedded meanings of the spoken language in a foreign culture.

Moreover, most Chinese expatriates working in non-English speaking countries complained of the inconvenience of using translators in daily work communication.

According to them, the rich information such as the tone of voice of the speakers could be weakened through translators, thus affecting the effectiveness of communication. One Chinese expatriate in Ukraine stated as follows:

> *When communicating with local employees in English, we must make it simple because none of us speak English as the first language. Sometimes we need translators in negotiations with clients and daily work activities. Personally, I found the effect of using translators not very good. For example, the tones and specific wording used by the communicators could be weakened through the translation, thus the important information accompanied by those non-verbal cues is lost. Also, while negotiating with local clients, the change of tone and change of expression could be subtle but important. Normally, the translators do not have much negotiation skills and they cannot catch those tiny changes in our expressions. Sometimes they just accidently speak out our bottom line in price negotiation. It is difficult for us to control the situation in cross-cultural negotiations if we use translators (General manager, male, Ukraine).*

As indicated by the quote above, using translators is not an effective way to achieve cross-cultural communication as certain cues and other information presented in specific situations will be lost through translation. Therefore, even if the Chinese expatriates understand the translated literal meaning of the spoken words from HCNs by the translators, they may still fail to obtain the complex information reflected by the tones and other non-verbal cues (e.g., gestures, voice) embedded in the context of the communication. Several other expatriate managers (i.e., those working in France, Australia) expressed similar opinions regarding using translators. They stated their difficulties in correctly capturing the context-embedded meanings of HCNs in conversations. Peltokorpi (2010) suggests that local language proficiency is an

important determinant of expatriate adjustment and performance. The current study provides congruent evidence and extends Peltokorpi's arguments to emerging market contexts. By exploring the perspectives of Chinese expatriate managers, this study suggests that the ability to correctly recognize non-verbal cues and accurately comprehend the meanings of the spoken language in the host context is of crucial importance for successful cross-cultural communications.

In a similar vein, over half of the foreign colleagues argued that communication was not only about understanding the literal meaning, but also the need to be acutely sensitive to cultural differences in communication. One employee from Australia suggested that cultural sensitivity is important in communication as communication involves not just language skills, but also showing empathy to HCNs in the conversation and understanding their needs and their work behaviours influenced by the host country environment. This is also supported by foreign colleagues working in European and Middle East countries. Nevertheless, certain foreign colleagues interviewed stated their confusion regarding the information they received embedded in the communications with their Chinese managers. It is emphasized that as a result of different cultural interpretations, certain behaviours of Chinese expatriates would be misunderstood by HCNs in communication. For example, one foreign colleague in Poland responded as follows when asked about the difficulties he had encountered while working with Chinese expatriates:

There are small things associated with culture that would cause problems in the workplace. I can give you a few examples. The Chinese managers in our organization speak very loudly in daily communication. In the first few months we just felt that they lost their temper and they were angry towards us which makes us very confused. After several months, we finally understand that they are not angry but just tend to speak loudly naturally. However, I think they should know that speaking loudly is not appropriate in Poland. It sounds like a quarrel and it is offensive to others. In addition, they have other inappropriate behaviours in the workplace such as spitting on the floor and making noise from the throat frequently while talking to us which make us pretty uncomfortable. These are all small problems but I think Chinese managers need to know what is regarded as appropriate in our country (Polish employee, male).

As indicated from the quote above, the volume of voice in communication and other gestures/behaviours accompanying the communication could be misunderstood by the receiver. Certain behaviours that are regarded as appropriate in one country may not be regarded as appropriate in another, which may result in confusion and negative effects for communication at work. In this sense, culture plays an important role in interpreting non-verbal cues in conversations. It is stressed by the foreign colleagues that Chinese expatriates need to be aware of their inappropriate behaviours in the host context and avoid them in communicating with HCNs.

In a study of Japanese expatriates in the US, Yamazaki (2010) demonstrates that language and communications skills are essential for expatriate success as language deficiency significantly constrains the quantity and quality of interacting with local colleagues. Previous studies also stressed the importance of cultural sensitivity in communication especially in high-context cultures where the real meaning of words is

usually embedded in non-verbal cues (Choi, Hise, Bagozzi, & Fadil, 2010; Peltokorpi, 2010). The findings in this study largely support previous findings by stressing the importance of correctly understanding culturally embedded cues and avoiding inappropriate behaviours in communication within the host country context. It is evident that previous studies in the expatriate literature primarily emphasize the influence of host culture on expatriate communication (Peltokorpi, 2010; Seak & Enderwick, 2008). However, they do not pay sufficient attention to the influence of home country factors on expatriate communication skills. In this study, we identify the remarkable impact of the home culture on the development of expatriate communication effectiveness which is reported in the next section. Hence, it highlights the importance of both the host and home contextual influences on cross-cultural communication.

6.2.3 Communication Styles

As indicated by the Chinese expatriate managers, the communication style in Chinese management practices is not that direct, and in some situations (e.g., to pass on a negative feedback or to make a tough decision) they prefer to express themselves without open and clear statements. Rather, they may hide their real meaning behind their words and leave it to the subordinates to think about the non-verbal cues that are actually linked to the spoken words. However, local employees in Western countries are not likely to be familiar with this kind of managerial style especially if they are from a culture that uses a direct communication style in all circumstances. For example, one Chinese expatriate working as a general manager in Kazakhstan commented:

The most important thing in cross-cultural management is that you can't manage foreign employees with a Chinese mindset. You can't feel your Chinese mindset while managing in China. For example, we are not very direct in communication and we would like to leave some unspoken words to the subordinates to think about. But the local people in the Commonwealth of Independent States (CIS) are very straightforward in thinking and it would be impossible for them to guess your actual meanings behind your words. You need to tell them directly what need to be done step by step. In addition, when it comes to criticize, we are not direct. But the locals accept direct criticism very much, and they also prefer very direct compliment. So you need to be able to show your real meaning by communicating with them in a direct way (General manager, male, Kazakhstan).

It can be seen from the statement above, different patterns in communication have been identified between Chinese expatriates and their foreign colleagues especially those from Western countries. Comparing communication styles between East and West, Hsieh (2010) suggests that there is little open communication in China. Chinese people are unwilling to give their opinions in public in order to avoid losing 'face' and damaging the 'face' of others. In addition, Chinese workers tend to remain silent in meetings as they do not want to be seen as showing-off by their peers. The current study extends prior argument to the Chinese expatriate group and suggests that Chinese expatriates sometimes communicate in an indirect style which suggests a country of origin effect.

From a country of origin perspective (Sharma, 2011), Eastern Asian countries are evident in using indirect communication styles that emphasize the need to focus on the interpretation of meaning and the sensitivity of the listener (Yum, 2007). The Confucian legacy of predominant concern for "proper" human relationships has led to

the indirect mode of communication that preserves the notion of "face"--- the public self-image that every member wants to claim for him/herself (Hsieh, 2010). However, those experiences might not be suitable for supervising local employees in host countries as communication in some countries (i.e., Western and Middle Eastern countries) is much more direct, which emphasizes the exact meaning of the message and source credibility (Chang, Chuang, & Chao, 2011). Accordingly, Chinese expatriates managing in those countries will face significant differences in communication styles which will pose barriers for them in effective cross-cultural communication. The findings here again suggest that home culture does influence the mindsets of Chinese expatriate managers, which is likely to create problems in cross-cultural communication if it is not in line with host country cultural expectations.

6.2.4   Techniques for Effective Communication

Besides understanding cultural differences, effective communication also requires taking initiatives in communication and communicating with a purpose such as sharing information or solving problems, according to the Chinese expatriate managers. The findings in this study stress the importance of taking initiatives in communicating with subordinates, peers, and local business partners, for the purpose of a smooth and cooperative work progress. As one manager in Thailand responded:

> *You need to take initiative to communicate with different departments that are involved in your work. Communication is not only important in solving technical problems at work, but also important in building*

relationships with your customers and maintaining harmonious relationships with your colleagues. Actually in most cases, if we have good relationships with local employees, many problems can be solved easily as long as we make an effort together (Marketing manager, male, Thailand).

Similarly, another manager working in England also commented that if one could be willing to communicate with HCNs, the relationship with local employees and customers could be significantly improved, which assisted their work progress. According to those managers, the frequency of communication is an important precondition of effective communication, and one's willingness to begin conversations with HCNs helps a lot in building relationships with local employees and business partners in the host market.

Further, in the workplace, effective communication needs to be able to complete the goals at work (e.g., solving problems, sharing information), in order to facilitate the work progress. The Chinese managers indicated that they need to establish an encouraging environment for communication in the workplace, and make sure that the conversations are effective in solving problems and sharing information.

Several techniques were emphasized as being able to produce effectiveness in cross-cultural communication. Over half of the Chinese expatriates (15 out of 25) suggested that it is important to seek clarification with HCNs if they are not one hundred percent sure about the meanings of the message received from HCNs. In addition, asking for feedback is a good way to make sure that local employees understand the meaning of

their Chinese managers. In this way, misunderstandings in communication could be reduced by double checking the correct comprehension of the information. Some other managers (8 out of 25) stated that a simple, clear, and straightforward way of communication in order to avoid unnecessary mistakes is desirable. For example, it is important to conduct various communications in the workplace in a clear order, solving problems one at a time. Moreover, it is argued to be important to establish regular meetings among organizational members as a means towards good communicating opportunities for clearing up misunderstandings in previous tasks and to discuss plans for future work activities. One manager from Thailand discussed the situations as following:

> *In order to conduct effective communication, you need to communicate with a plan, and with a purpose. For example, when you communicate with other departments that are involved in your work, you need to take initiative to talk to them, and ask for feedback in order to see whether they get you correctly. Then you need to establish a communication mechanism such as setting up regular meetings on a weekly or fortnightly basis, and let the Chinese managers and HCNs to talk about something they did not understand in previous tasks. We can solve those problems in such meetings and we can learn how to communicate better with each other next time. In particular, you need to communicate more with your subordinates within your own department. Everyone needs to know the goals of the department for the next week, next month, and be clear of what we can do to achieve the goals of the organization together (Marketing manager, male, Thailand).*

Communication skills have been regarded as the most important personal competence in cross-cultural adaptation and performance. Based on a sample of Japanese expatriates, Peltokorpi (2010) explored the combined influence of expatriates' host country

language and cultural competencies on international assignments. His findings suggest that both cultural values and language matter in intercultural communication. Similarly, Earley (2002) asserts that cultural knowledge and awareness are necessary in order to perform effectively in cross-cultural situations, but individuals need to have the motivation to apply the knowledge available. Our findings support previous research by emphasizing the understanding of cultural cues in communication, and the effective application of certain techniques in cross-cultural situations. The current study also provides new insights to prior argument by suggesting that from the viewpoints of Chinese expatriate managers, communication is by and large viewed as a tool to serve work progress, so straightforward communication with a clear plan, purpose and structure is preferred as it can best avoid misunderstandings in cross-cultural interactions. However, such direct communication styles with little contextual information also indicate a lack of deep understanding of the different cultural values behind expatriate-HCN interactions, which suggests a lower level of CCC possessed by Chinese expatriates in cross-cultural communication (Peltokorpi, 2010).

6.3   Interpersonal Skills

Another important skill cluster for CCC is interpersonal skills, also mentioned as relational skills, reported by participants in all the three groups. For the Chinese expatriate managers, 12 out of 25 (48%) expressed the positive influence of interpersonal skills in facilitating cooperation with HCNs in the cross-cultural working environment of international assignments. Several foreign colleagues (6 out of 15) also

stated that their Chinese managers should possess interpersonal skills in order to be successful international managers. From their point of view, interpersonal skills focused on the ability to build and maintain friendships with locals especially from a non-work perspective. The expatriate supervisors and cross-cultural consultants viewed interpersonal skills as a necessary part of achieving CCC, although not the most important one.

6.3.1   'Guanxi'

The Chinese expatriate managers working in both developing countries (e.g., Angola, Algeria) and advanced economies (e.g., England, Australia), all stated the importance of building relationships with HCNs in the workplace. They believed that if they had good relationships with local organizational members, then local employees would be willing to cooperate and assist in workplace. In this way the progress of work-related activities would be greatly facilitated and the goals of the organization would be more easily achieved. For example, one manager working in South Africa stated that good personal relationships with HCNs would assist in effective communication and cooperation with local employees. Similarly, a general manager in England commented:

> *I think foreign workers also pay much attention to personal networks, just as the same as we emphasize 'Guanxi' in China. For instance, if you get along well with your customers or colleagues in the host country, you will get assistance from them easily in work interactions and non-work related problems. This helps a lot in facilitating the work progress and understanding HCNs' expectations and behaviours (General manager, female, England).*

'Guanxi' is regarded as the most important cultural factor in Chinese business operations, and refers to interpersonal networks developed by managers (Barnes, Yen, & Zhou, 2011). As stated above, the Chinese expatriates expressed that personal networks were not only emphasized in China, but also in foreign countries like England. Although not explicitly stated, the manager did indicate that personal relationships in England could influence how HCNs would respond to the manager's requirements and indicate how they could lead to cooperative behaviours in daily work interactions. Varma, Budhwar, and Pichler (2011) argue that desired interpersonal relationships with HCNs provide expatriates with role information and social support which facilitate expatriates' performance. Neupert, Baughn and Dao (2005) demonstrate similar viewpoints. Our findings support previous arguments by suggesting that personal relationships will also influence HCNs' willingness to cooperate with expatriates in order to achieve organizational goals. Moreover, this study extends previous arguments to the Chinese expatriate group which has not been examined in previous studies. Given the importance of the relational skills, several means by which to enhance such skills have been discussed by the Chinese expatriate managers.

6.3.2   Respect and Empathy

One fundamental aspect to developing relational competences regards the showing of respect and empathy towards HCNs in work and non-work interactions, as stated by the Chinese expatriate managers (40%). For instance, one marketing manager in Belarus emphasized the importance of showing respect to local customers in negotiations.

According to that manager, a professional appearance was a good way to show respect, and some local rituals needed to be complied with, such as using a respectful tone in conversations. Further, respecting and understanding the host culture is an essential way to improve interpersonal skills in the host country. As mentioned by several Chinese expatriates, friendship with locals largely depended on an understanding of HCNs' life situations, feelings, and how they interact within their work environment. Those managers had encountered various confusion or conflicts while trying to build relationships with HCNs, especially in the first few months following their arrival into the new country. Consistent with prior studies (Freeman & Lindsay, 2011; Shin et al., 2006), the Chinese expatriates reflected from their experience and acknowledged that cultural *faux pas* would be conducted unconsciously as they were not familiar with host country expectations in personal interactions at that moment. Certain ways that worked in building friendships in China might turn out to be negative in relationship building in several host countries. For example, one Chinese expatriate working in England expressed the difficulties she had experienced in starting relationships with host nationals.

> *In the first few days after the relocation into this country, I really don't know how to start relationships and socialize with people in the workplace. It seems that what works well in the home country may not be transferable to the host country. For example, sometimes I just wanted to say hello to local organizational members by asking "what are you busy with?" or "how's your work going?" to start the conversation. However, I got very negative response from the locals as they seemed to be offended to be asked those questions. I now realize that if you want to build relationships with locals, you'd better talk about social topics such as the weather, their holidays and so on, but not work-related issues. Work and personal problems are not*

As indicated by the statement above, the interpersonal skills of the Chinese expatriates in cross-cultural settings may be determined by their ability to correctly perceive host cultural expectations in personal interactions. It is likely that in different societies, different ways of building and facilitating interpersonal relationships would be preferred by people from different cultural backgrounds. Accordingly, it is important for those expatriates to note the different ways of socializing in the host country in order to avoid inappropriate behaviours in building relationships with HCNs.

6.3.3   Friendship with HCNs

Forty percent of the foreign colleagues (6 out of 15) also emphasized the important role that interpersonal skills played in leading to CCC of Chinese expatriate managers. Having said that, the foreign colleagues indicated that their Chinese managers were not very active in building personal relationships with subordinates, while they expected more from their managers in terms of their relational skills. For example, one Australian employee responded as follows when asked to talk about what skills contribute to CCC of Chinese expatriate managers:

For me, the manager must be friendly, be able to walk up and say 'hello, how are you?', Be friendly natured and generally be able to sit down with subordinates and talk with us completely unrelated to work.

Yes, just talk normal, you know, we are not talking about work, we are talking about football or something else. I'll use an example where I was before. We had a CEO, the big head, the big person you would say. He would come at lunch time and sit with all of us and had lunch with us and he was talking with us. I now found that to be very good, because we understand that he's the boss, but at that moment he's not a boss. We just talk to him like a normal person. It comes to that we have more respect for him, when he tells us to do something, it has no problems to do because he is the boss and we respect for him (Australian employee, male).

As can be seen from the statement above, local employees expect their Chinese managers to be friendly and be able to talk with them in terms of social topics unrelated to work. However, as discussed in the previous chapter, this might be quite difficult for Chinese expatriates due to their insufficient language skills and lack of social experiences in host countries. According to the Chinese expatriates, more than 90% of them claimed that they had very restricted socializing activities which made their personal life boring. To address this problem, one cross-cultural consultant suggested that Chinese managers overseas should try to learn new activities that the locals like (e.g., the popular sports in the host country), and try new things that the locals are interested in. In this way it is much easier to start talking with HCNs and build relationships step by step, which could facilitate cooperation and communication with HCNs at work.

Several foreign colleagues noticed that the Chinese cultural background could have a negative influence on the relational skills of Chinese expatriate managers. For example, foreign colleagues in Australia, England and other European countries mentioned that

their Chinese managers needed to be aware of a much smaller power-distance between the managers and workers in Western countries than in China. Otherwise the mindsets developed from China would have a negative influence on the relationship building with HCNs. One foreign colleague from Australia commented:

> *I think in China, probably there's a big distinction between someone who's the boss, and someone who's not. And in Australia, everybody sort of on the same level even if one person is giving the orders and other ones carrying them out. You can be friends with your boss, it's not like you are subsiding to them. This is a good cultural thing I think we are kind of don't think someone is better than us if they are superior in the hierarchy of the company. The Chinese managers need to be sensitive to this and shouldn't expect to be respected just because of their position....In our company, we expect more from our Chinese managers because only a few of them managed to build close relationships with us (Australian employee, male).*

The above statement indicates that in the context of the organizational activities, power distance in Chinese companies is higher than those in certain Western countries such as Australia. In China, the senior managers are given much more power and influence than workers so the Chinese often pay much attention to maintaining good relationship with their supervisors, while pay less attention to the opinions of their subordinates (Cheng et al., 2010; Zhu, 2005). For Chinese expatriate managers, such a mindset would to a certain extent increase the difficulty in building friendships with local subordinates, and further decrease the likelihood to provide sufficient support to local employees in work related activities. Prior studies in this area focus on measuring the relationship between relational skills and expatriate performance (Neupert et al., 2005; Yamazaki, 2010; Yamazaki & Kayes, 2004), while ignoring the influence of culture on such relational

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skills. The findings in this study suggest that the Chinese culture of embracing high power distance will make it difficult for Chinese expatriate managers to initiate and maintain friendships with local employees, which hinders the development of CCC consequently. As suggested by one senior cross-cultural expert, Chinese expatriate managers should not expect to be respected for their high position in the hierarchy of the organization. Rather, they should take their initiative to building personal relationships with local employees and gain respect through friendships and appropriate behaviours in the host working environment.

6.4 Perceptual Skills

Some informants listed perceptual skills as an important antecedent leading to CCC, but to a less extent than communication and interpersonal skills. Twelve out of 25 Chinese expatriates (48%) viewed perceptual skills as an essential competence in cross-cultural situations, while a larger proportion of the foreign colleagues (60%) stated similar viewpoints. According to the Chinese expatriate managers, perceptual skills include abilities not only to understand the attributions of HCNs' behaviours, but also to correctly comprehend the nature of the cultural and legislative environment of the host country. From the viewpoint of the foreign colleagues and cross-cultural consultants, the ability to perceive cultural differences especially with respect to the life situations of HCNs and their way of working was emphasized as perceptual skills.

6.4.1 Understanding Host Practices

Several Chinese expatriate managers discussed confusions they had experienced in terms of managing local employees as a result of their managerial styles that might not be compatible to the expectations of HCNs. It appears that certain managerial practices (i.e., the paternalistic type of leadership, close supervision, and ad hoc decision making) that are well performed in China may cause problems in foreign markets due to different expectations in the workplace. The perceptual skills are thus emphasized to be essential in order to effectively supervise and manage the local work force. Specifically, conflicts were identified in the following situations which reveal very different managerial styles used in China and the respective host markets. One Chinese expatriate in Poland expressed his confusions about the perceptions of host organizational members in terms of work related activities. He commented:

> *I do feel that due to the influence of values embedded in our respective home countries, our Chinese people and the local Polish do have different perceptions regarding certain things in the workplace. I can give an example. For instance, if we assign tasks to local employees and give them a deadline, we are used to managing the progress of those tasks by communicating with them frequently, and asking their progress from time to time to make sure that they are on track. It's not urging them, but just as a reminder of those tasks before the deadline. However, the local employees do not think like that. They believe that they should be trusted to complete the tasks independently and shouldn't be disturbed before the due time. If you ask them about their progress before the deadline, they are very reluctant to respond to you. They would rather give a result right on the due time as appointed. Even if they couldn't finish the tasks on the due time, they wouldn't communicate beforehand to let us know. So through those things, I do feel that the locals perceive things differently from us (Project manager, male, Poland).*

Correspondingly, foreign colleagues also discussed problems under similar situations. One local employee from England expressed that she would have her own schedule of finishing tasks on time and the Chinese manager would only make her feel interruptive when being asked the progress frequently. As she said: "I am not happy with that. If they give me certain tasks, they should trust me and understand that I will have my own plans to finish that on time" (British employee, female). As can be seen from the statements above, it appears that certain Chinese managers are used to managing people by engaging too much in assigned tasks, which leaves little autonomy to local employees in completing those tasks. This may not suit the work style in certain Western countries (e.g., England, Australia). Studying Western expatriates in China, researchers (Goodall et al., 2006) indicate that Chinese employees are highly manager-dependent and they are under low motivation to take responsibilities. Nowadays, situations might change as more and more Chinese employees are showing autonomy in the workplace (Lu, Kao, Siu, & Lu, 2010), but the findings suggest that the mentality of Chinese expatriates is still influenced by their home managerial practices especially the paternalistic leadership style widely practiced in China. The paternalistic leadership asserts strong authority and control over subordinates but it may not suit HCNs in Western countries who expect a management style of delegation and individual autonomy (Pellegrini et al., 2010). Thus Chinese expatriates need to possess perceptual skills in order to understand local practices and local subordinates' expectations.

The need for perceptual skills can also be reflected from the following conflicts mentioned by another Chinese expatriate working in Australia:

You can never manage the Australians like you manage the Chinese. I think the most difficult part is that we have different expectations and different ways of working. For example, it's normal in China if I say "OK, we need to have a meeting in an hour". Everyone will stop their work and come to the meeting so we can have the meeting. However, that won't happen in the Australian subsidiary. Many of the locals would have other appointments or other things to do, and often they might say "Sorry, the notice is too short", so they won't come to your meeting. So it's difficult for me to satisfy the Chinese side [headquarters] and the Australian side at the same time as an expatriate (Manager of headquarter-subsidiary coordination, female, Australia).

According to the Chinese expatriates, managers in Chinese companies are expected to be followed in terms of how tasks being conducted due to their power given by the position. However, it could be problematic if Chinese expatriates directly transfer their managerial styles to certain foreign countries such as Australia. Again, the comment above demonstrates the influence of paternalistic leadership on the overseas managerial activities performed by Chinese expatriate managers (Chen & Kao, 2009; Pellegrini et al., 2010). The findings suggest that it would be difficult for Chinese expatriate managers to gain power just because of their position. Rather, they need to adjust their own managerial styles and listen to subordinates in order to understand their workplace behaviours. The above problem reveals different expectations by Chinese expatriates and HCNs influenced by their respective home cultures, which would result in problems in cross-cultural work interactions. Hence the perceptual skills were emphasized by the Chinese expatriates managing in a wide range of host locations in order to better understand HCNs in the workplace.

In a similar vein, foreign colleagues from several countries (Poland, Australia and Arabia countries) also stressed the importance of Chinese expatriate managers possessing perceptual skills in order to achieve CCC. One employee from England stated:

> *The most important thing in cross-cultural interaction is trying to understand others first. Try not to be too stubborn, not always to do things relying on one's own thoughts, but understand the culture and the backgrounds of people from foreign countries. Maybe it is too general to say that, but it is really the case (Polish Employee, Male)*

However, it appears that the perceptual skills of Chinese expatriate managers are not sufficient in the workplace, as several foreign colleagues reported conflicts and misunderstandings with their Chinese managers. Such conflicts were mainly caused by different social expectations which in turn affect individual behaviour at work and it is argued that Chinese expatriate managers need to understand and accept those differences if they want to successfully manage overseas. For example, a Polish employee talked about a distinctive difference in work behaviour between the Chinese managers and local employees.

> *If someone in the workplace made a mistake, we tend to find out the one who should be responsible for that---the one who exactly made the mistake. However, the Chinese don't do that. If things happen, they tend to focus on solving the problems rather than specifying who exactly made the mistake. We Polish must make it clear who is the one to blame. I think the Chinese emphasize much on the notion of 'face'. But certainly they should make it clear who made the mistake. It's better to make everyone's responsibility clear which is good for the work progress (Polish employee, male).*

According to the Polish employee, the Chinese managers emphasized much on the importance of 'face' which resulted in a reluctance to criticize individuals for their mistakes. However, the local Polish believed that it is important to make everyone clear about their own responsibilities, and be responsible for that. The two different perceptions on assuming responsibilities reflect different cultural roots of Western and Eastern culture. China is a typical Eastern country and the Chinese culture is heavily relationship-oriented (Chen & Wu, 2011; Yang & Wang, 2011). In such cultures, personal relationships are strongly emphasized so the Chinese managers tend to put 'saving face' of others first when mistakes have been made. In addition, it is argued that in the Chinese managerial practices, one common practice is to deduct one's bonus if the person made a mistake at work although this penalty may not be public (Cunningham, 2010). Under the influence of home practices, Chinese expatriates might be more sensitive than the HCNs in terms of criticizing others and try to avoid that in the workplace. However, they should be aware that such behaviours may create problems in certain Western countries. Obviously, the local Polish are not happy with the behaviour of saving one's face at the cost of ignoring the person's responsibilities, and they require a clear manner for assuming responsibility, as is the common practice in Poland.

Jenkins and Mockaitis (2010) suggest that perceived cultural distance between home and host countries would have a strong influence on expatriates' perceptual skill development and their subsequent adjustment. The findings in this study highlight that for Chinese expatriate managers, it is not only important to understand the reasons for

HCNs' behaviours, but also important to be aware of their own cultural influences on their behaviours. As suggested by the findings, transferring the "Chinese practices" without reflecting on what they might look like through a Western cultural lens could be destructive to relationship building with HCNs and work effectiveness of those Chinese expatriate managers.

6.4.2 Understanding Host Environments

Further, some Chinese expatriate managers (20%) complained about the difficulties in fitting into the political and legislative environment of the host country. They stated that one salient aspect of perceptual skills was the ability to have an accurate perception of the host institutional environment including the local industrial regulations, legal systems, and potential rules for business operations. Such abilities would to a great extent facilitate work performance of Chinese expatriate managers as pioneers of Chinese companies to exploit foreign markets. For example, a general manager in Kazakhstan stated that he was responsible for developing overseas markets in several countries of the CIS (Commonwealth of Independent States). At the time of the interview, the most significant challenge he had ever encountered was developing a practical understanding of the legislative environment of business operations in the host market. He commented:

> *It is very difficult to develop new markets in foreign countries. We need to sell our products in the host country and try to get business orders from local customers. But how can we do that? The head office*

cannot provide detailed guidelines for us as it got no experience in business operations in this country before. So I need to get familiar with local business environment and learn potential rules for doing business in the host market. It is important to be able to learn and get familiar with all kinds of legislations and cultural attitudes in order to make the appropriate strategy to develop local market (General manager, male, Kazakhstan).

Similarly, a project manager in Poland stated:

It is really time and energy consuming to develop a new market in the host country. In particular, the local legislations of our industry (construction) are complex and all of them need to be learned and understood to assure a smooth business operation in the local market. However, at the current stage, our managers are highly reliant on legal consultations in host consulting companies which are costly (Project manager, male, Poland).

It appears that the institutional environment in foreign countries has posed significant challenges to the Chinese expatriate managers, which makes the perceptual skills of those managers imperative. In expatriate literature, perceptual skills are regarded as the ability to understand the host culture as well as HCNs' behaviours (Seak & Enderwick, 2008; Templer, 2010). The findings in this study extend previous studies by highlighting the importance of understanding the broader institutional environment of the host country. As argued by Peng et al. (2008), the market-based institutions in China are not well developed so interpersonal networks act as substitutes for formal institutions. In this way, the institutional environment in China is quite different from that in developed countries and understandably, Chinese expatriate managers will face

difficulties in fitting into the mature and sophisticated institutional arrangements in advanced economies.

Besides possessing competency to understand local culture and institutions, it is also argued by the Chinese expatriate managers (5 out of 25) that the ability to appropriately apply their cultural knowledge in cross-cultural interactions is of crucial importance. In order to solve problems and reconcile conflicts with HCNs in the workplace, it is necessary for those managers to change their managerial styles or common practices to comply with local cultural expectations. For example, one manager in Thailand commented:

> *As I noticed that local employees do not like to work overtime as we Chinese usually do, I need to bear that in mind when assign tasks and facilitate work progress. Instead of changing them, I can change myself. For example, if I need local workers to do something, I won't ask them to do that right before the due time and ask them to work overtime. Alternatively, I can plan everything beforehand and assign the task to them several days before the due date. In this way, there is enough space for the local subordinates to adjust their own timetable, and they may complete the tasks ahead of schedule (Marketing manager, male, Thailand).*

As can be seen from the statement above, it is not enough to just notice and understand cultural differences. What needs to be done is appropriate application of cultural knowledge into daily practices to reconcile different expectations of people from alternative backgrounds. Johnson et al. (2006) in their conceptual paper propose that an understanding of the complex political, social and cultural environment is an antecedent

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for CCC, but there is still a gap between 'knowing' and 'doing'. Recent studies (Bird et al., 2010; Morley & Cerdin, 2010) demonstrate similar viewpoints. That is to say, the achievement of CCC depends on whether individuals could effectively apply requisite skills (e.g., perceptual skills) and cultural knowledge in cross-cultural situations. Previously raised arguments by Johnson et al. (2006) have been substantiated by empirical findings of this study. The current study extends literature by providing empirical evidence from the perspective of Chinese expatriate managers demonstrating that perceptual skills not only include the ability to understand host cultural and legislative environment, but also include the ability to appropriately apply the knowledge in daily interactions with HCNs. To sum up, Chinese expatriate managers need to be aware of different expectations from HCNs in the workplace, and adjust their behaviours accordingly to comply with local cultural expectations in order to achieve CCC on international assignments.

6.5   Coordination Skills

Coordination skills have also been emphasized by the Chinese expatriate managers and their supervisors to be important in order to perform effectively on international assignments, especially for senior expatriate managers. Different from other skill sets (e.g., communication skills, interpersonal skills), the ability to coordinate in the workplace has rarely been emphasized by prior expatriate studies which tend to examine expatriates mainly from advanced economies. According to the Chinese expatriate managers, coordination skills refer to the ability to work effectively and harmoniously

with different departments in the organization, as well as coordinating with headquarters in order to achieve desired work performance. The findings on coordination skills are reported in the following subsections in terms of coordinating within and outside the subsidiary.

6.5.1 Coordinating Within the Subsidiary

For senior managers working in overseas subsidiaries of Chinese companies, one major task for them is to coordinate different departments to facilitate the progress of work tasks and projects. As different departments and work groups within the organization will have different interests and tasks, it is the senior manager's job to make sure that departments cooperate well to achieve the common goals of the organization. For example, as indicated by a senior manager in Thailand, coordination involved dissimilar priorities given to different departments, and accordingly the need to allocate human and other resources to the most crucial part of the organization. In addition, sometimes the plan and schedule of certain work groups needed to be reorganized in order to match the progress of other work groups that were engaged in the same project. In this way, the senior manager needed to communicate with different departments in order to control the overall progress of the organization. Similarly, another manager working in the United Arab Emirates stated that coordination skills require a vision of the overall situation of the tasks. He commented:

Often, there are many ambiguous work interfaces among organizational members and different departments, so I need to coordinate in order to find out the right people to do the right things. As not being the leader, many staff just care about their own work duties and interests, while do not have a vision of the overall progress of the organization. Accordingly, it really needs someone to coordinate with various individuals and departments in the organization to make sure that they work as a whole (General manager, male, United Arab Emirates).

According to that manager, coordination skills assist in providing effective leadership especially when managing people from different departments or working groups within the organization. Sometimes, there will be conflicts across time schedules, resources, or even interests among certain departments so one or some of them need to sacrifice certain interests to satisfy the overall progress of the organization. In the same vein, an expatriate supervisor in the MNE headquarters also emphasized the importance of coordination skills for senior managers on international assignments. From her point of view, communication skills and coordination skills are the most crucial criteria when selecting for senior overseas managers, and those two skill sets are interconnected and cannot be separated from each other. The expatriate supervisor is from a construction company and she responded as following when asked about the skills which contribute to CCC of Chinese expatriates.

As a leader, the communication and coordination skills are both important and they complement each other. In terms of coordination skills, the manager does not need to understand every single detail of the project as there will be professionals and engineers who are specialized in those things. However, he or she needs to coordinate with every working group (e.g., the groups in charge of electricity, water) involved in the construction project. If problems happen in one

group, he/she needs to organize meetings with all relevant staff in other groups to see how they can coordinate to keep up the overall progress of the project. Because at every crucial time point, those working groups need to cooperate with each other and work together rather than focusing on one's own interests. For example, if we conduct civil work without leaving space for other equipment (e.g., the elevator), problems will happen when the electronic groups build in all the affiliated electronic equipment, and some civil work need to be destroyed and re-construct again. So it is the senior manager's job to coordinate well with separate working groups to make sure that they cooperate well (Expatriate supervisor, female, China).

From the statement above, it can be seen that the ability to coordinate is an important skill set for senior managers, which focuses on liaison and problem-solving among various departments engaged in work tasks. Instead of emphasizing individual responsibilities, the vision to manage the project as a whole and the ability to persuade separate groups to cooperate form the core of coordination skills. Obviously, such skills relate much to communicating with HCNs and understanding the needs and the roles of individual departments in the assigned tasks. Prior studies examining cross-cultural skills identify that self-maintenance skills (e.g., stress reduction), interpersonal skills, perceptual skills, and communication skills are important skill sets (Seak & Enderwick, 2008; Templer, 2010), while coordination skills have rarely been mentioned. However, by examining expatriates from China, it is found that coordination skills are particularly important for senior expatriate managers from China to function effectively on international assignments.

The emphasis on coordination skills by Chinese expatriate managers may relate closely to the collectivism cultural roots in Chinese society. Collectivism versus individualism

has been argued as an important dimension of national culture (Hofstede, 1980; Hofstede & Bond, 1988) and it has been suggested that China is characterized by a collectivistic culture while major Western countries (e.g., the US) are identified as individualistic cultures (Chen & Miller, 2010). One salient difference between collectivism and individualism is that collectivism emphasizes the priority of group goals over individual goals, while on the other hand, individualism stresses the primary importance of individual interests and opposes external interference in individual goals by society or other groups (Chakrabarty, 2009; Triandis, 2002). As acknowledged by both the Chinese expatriates and their supervisors, the ability to coordinate with different working groups and individuals towards the interests and common goals of the overall organization play an important role in conducting effective leadership on international assignments. It is likely that in Chinese society, due to the emphasis on collectivism, group interests and connections among individuals, coordination is emphasized to be done through every possible means in the workplace which requires the managers to be skilled in such activities. Most prior expatriate studies focused on expatriates from Western countries, and they do not deem coordination skills to be crucial for expatriates. By examining expatriates from a large emerging economy—China—we contribute to literature by identifying coordination skills as an important skill set that contributes to effective performance of expatriates on international assignments, especially for senior expatriate managers.

6.5.2 Coordinating Outside the Subsidiary

Besides coordinating within the overseas subsidiary, some of the Chinese expatriate managers need to coordinate between the head office and host country subsidiary, and also among subsidiaries of the parent company across various host countries. Seemingly, as Chinese companies expand internationally with a larger geographic span, the requirement for coordination skills of their expatriate managers is becoming more and more imperative. A Chinese expatriate working as a general manager in Germany stated that for some international projects, several departments located in different host countries may be involved, which demands enormous levels of communication and coordination among those departments. This requires those expatriates not only to be able to communicate effectively with other subsidiaries to keep information updated, but also to be able to coordinate with other subsidiaries in order to cooperate to resolve problems while completing tasks on assignment.

In addition, Chinese expatriate managers (12%) emphasized the importance of coordinating with headquarters while working on international assignments. As suggested by those managers, there should be an interface between the headquarters and local subsidiaries for the purpose of information sharing and cooperate strategy implementing, and expatriates were supposed to play the role of bridging each side. While coordinating between the headquarters and local subsidiaries, it was suggested that different expectations and working attitudes held by the Chinese head office and

HCNs had increased the difficulty for the Chinese expatriates to successfully coordinate on international assignments. As one manager from Australia commented:

> *I play the role of coordinating between head office and HCNs. The biggest problem I met is that most of the time, the HCNs cannot complete the tasks assigned by head office on time. So I need to coordinate and try my best to argue for more time for the HCNs in front of head office for completing certain tasks. In Australia, things tend to happen slower than that in China so I know roughly how long the HCNs need to complete those tasks. On the other hand, I need to push local staff to complete the tasks on time but even if I have given them more time than the requirement of the head office, they couldn't finish the tasks usually. That just makes me angry and very disappointed (Coordinating manager, female, Australia).*

The statement above indicates that the ability to coordinate is based on an understanding of HCNs' behaviours and their working attitudes in the workplace. As has been reported in the last chapter, most of the HCNs in Western countries value a work-life balance and they have a strong cultural resistance to working overtime. That is quite different from the Chinese business environment where working overtime is becoming common in most of the companies. Hence, Chinese expatriate managers need to be aware of such cultural differences, and be able to reconcile those different attitudes while coordinating between head office and local subsidiaries. The findings demonstrate that one core competency for coordination skills is an accurate understanding of the differences between home and local cultural expectations, which reveals strong interconnections between expatriates' coordination skills and perceptual skills. Prior studies argue that communication skills are interconnected with other cross-cultural skill clusters (e.g., perceptual skills, interpersonal skills) and serve as a link between clusters (Seak &

Enderwick, 2008; Yamazaki & Kayes, 2004). The current study extends this stream of literature by identifying another important cross-cultural skill cluster, namely coordination skills, and suggests that coordination skills are closely related to several other skill clusters such as communication skills and perceptual skills. In addition, we argue that the emphasis on coordination skills by Chinese expatriate managers is closely associated with the cultural background of those managers that values a collectivistic ideology rather than individualism.

6.6 Conclusion

In this chapter, the findings for the second research question identified in Chapter Three are reported. This research question aims to investigate what personal skills contribute to CCC of Chinese expatriate managers and how those skill sets contribute to CCC. Based on data collected from interviews, four major skills sets have been identified which are communication skills, interpersonal skills, perceptual skills, and coordination skills.

Communication skills were the skill set most emphasized by the Chinese expatriate managers and their foreign colleagues. In order to be an effective communicator in cross-cultural situations, sufficient local language skills serve as a basis for communication skills. However, as revealed by the findings, the majority of the Chinese expatriates working in non-English speaking countries have very limited local language skills, which poses difficulties for effective communication with HCNs. More

importantly, being aware of cultural differences in communication and using certain techniques such as seeking clarification and establishing certain means for regular communication with HCNs (e.g., regular meetings) form the core of communication skills. Interpersonal skills are also identified to be important in contributing to CCC of Chinese expatriate managers. Showing respect and empathy in work and non-work interactions with HCNs were found to be fundamental in building relationships with locals, while the Chinese cultural roots of high power distance between the leaders and subordinates may to a certain extent affect the relationship development between Chinese expatriate managers and local employees.

In addition, perceptual skills, which focus on an understanding of the broad host institutional environment affecting business operations and more specifically, the attitudes and behaviours of local employees, are argued to have a positive influence on CCC. Finally, the current study identifies another important skill set which has not been discussed in prior studies—coordination skills. The findings suggest that senior expatriate managers need not only to coordinate within the subsidiary (e.g., coordinating with different departments), but also to coordinate outside the subsidiary (e.g., coordinating with headquarters and other subsidiaries). The emphasis on coordination skills by the Chinese expatriates and their supervisors may closely relate to the collectivist ideology of Chinese society.

CHAPTER 7 DISCUSSION

7.1 Chapter Objectives

Building on the empirical evidence presented in Chapters Five and Six, the primary purpose of this chapter is to address the research questions based on the qualitative data collected and to draw implications for theory building and refining, methodological development, and practices in international human resource management. The chapter will first discuss the theoretical contributions in terms of what factors contributing to CCC of Chinese expatriate managers (relating to Research Questions 1a and 2a), and then how those factors contributing to CCC (relating to Research Questions 1b and 2b). Finally, the overall refined conceptual model of CCC from a Chinese perspective is presented, which is developed based on existing theories and newly identified conceptual perspectives that underpin CCC.

7.2 Discussion of What Antecedents Contributing to Cross-cultural Competence

One of the primary purposes of this study is to identify the antecedents (i.e., personal attributes and personal skills) of CCC that could assist Chinese expatriate managers' overseas operations accompanying Chinese firms' internationalization. In the conceptualization of CCC, Johnson and colleagues (2006) posit "personal attributes" and "personal skills" as two primary sets of antecedents that could result in different outcomes of CCC development. Although certain individual attributes and skills have been identified and relevant conceptual models have been developed (e.g., Downes et

al., 2010; Shaffer et al., 2006; Yamazaki & Kayes, 2004), the managerial experience of Chinese expatriate managers still remains largely under researched (Wood & Mansour, 2010). In order to address the above gap, this study explores Research Questions One (a) and Two (a) to investigate what personal attributes and personal skills contribute to the CCC of Chinese expatriate managers. In doing so, this study not only examined the applicability of relevant models developed in advanced markets to the context of emerging markets, but also explored new themes that can contribute to current knowledge of expatriate CCC.

7.2.1 Personal Attributes

Research Question One (a) investigates the antecedents of CCC from a personal attribute perspective. The findings emphasized the importance of individual dispositional differences of Chinese expatriates in leading to higher levels of CCC on international assignments. This study identifies a range of important factors that are perceived to be useful for the CCC development of Chinese expatriate managers, which include conscientiousness, openness, and endurance. The findings on each trait are discussed in detail below, in relation to their contributions to theoretical development.

Conscientiousness

The findings on conscientiousness only offers partial support to previous studies such as those conducted by Caligiuri (2000a), Ones and Viswesvaran (1999), and Swagler and

Jome (2005) who argue that conscientiousness is the most important personality factor for adjustment, interpersonal relations with HCNs, and overseas job performance. This is because the current study indicates that on many occasions, conscientious Chinese expatriates performed undesirably according to foreign colleagues by displaying inappropriate behaviours. For example, the findings suggest that highly pragmatic Chinese expatriates would assume responsibilities in a flexible way, which were viewed as escaping from one's responsibility by local employees in several host countries. Chinese expatriates' hardworking character would also cause tension and rejection among host country employees who emphasize a balance between work and life.

In addition, several scholars (Huang et al., 2005; Shaffer et al., 2006) have found no significant relationship between conscientiousness and expatriate adjustment/effectiveness. Our findings challenge previous argument by suggesting that there might be interweaving effects of both positive and negative influence of conscientiousness on CCC. The positive influence results from two factors. One is the high sense of responsibility by Chinese expatriates, which helps in dealing with internal and external difficulties at work. The other is the hardworking attribute that facilitates work progress in front of time constrains and headquarter demands. However, from a host-national perspective, such personal characteristics could have an adverse impact on CCC because expatriates' perceptions of being 'responsible' and 'hardworking' may not be compatible with local cultural values regarding the same concept. This highlights the issue that in cross-cultural settings, the role of personality on work performance is

made more complex by the influence of people's perceptions rooted in their respective home countries.

The finding on conscientiousness is crucial due to the following two points. First, it is the first time that the negative influence of conscientiousness on expatriate adjustment and performance has been identified. Socio-analytic theory (Hogan, 1996; Hogan & Roberts, 2000) asserts that conscientiousness is the most predictive factor for better work performance in domestic working positions. However, this study suggests that in cross-cultural settings, this personality trait may generate negative outcomes on performance due to cultural diversity and complexity. Hence, our study contributes to socio-analytic theory by highlighting different expectations between expatriates and HCNs, which could result in negative influences of conscientiousness on expatriate CCC in cross-cultural contexts. Secondly, our findings provide a more complex view of how conscientiousness influences expatriate competency. Huang et al. (2005) highlight a contingency approach of conscientiousness-adjustment causality which indicates that an expatriate will fit best with the host culture when his or her personality demonstrates strengths related to the cultures' most relevant aspects. This claim is supported by the current study with empirical evidence. Further, the current study suggests that the relationship is much more complex as it is not only determined by host cultural expectations, but also by home cultural perceptions of the trait. Given expatriates and HCNs may perceive the same trait differently, the role of conscientiousness on expatriate CCC needs to be re-assessed.

Openness

The second important personal attribute that contributes to CCC development is openness, as revealed by all three groups of informants. This is an interesting finding because it is unique compared to domestic studies (Barrick & Mount, 1991; Hurtz & Donovan, 2000). Within a domestic context, social-analytic theory posits that conscientiousness is the most predictive success factor for performance, rather than openness (Hogan & Holland, 2003). However, in cross-cultural contexts, openness emerged to be a more important personal quality than conscientiousness, and its significance makes concrete and theoretical sense given the uncertain and changeable nature of international assignments (Shaffer et al., 2006). This study concurs with the argument made by many researchers (Downes et al., 2010; Huang et al., 2005; Leiba-O'Sullivan, 1999; Shaffer et al., 2006; Van Oudenhoven et al., 2003) that openness enables expatriates to accurately interpret and predict HCNs' behaviours which reduces uncertainty on international assignments.

Further, this study identifies that in the case of Chinese expatriates, an open attitude to accepting different opinions from local subordinates directly enhances expatriate competency. Given the strong emphasis on 'face' and 'authority' in the Chinese organizational context (Yum, 2007), it is likely that Chinese expatriates would face more difficulties in accepting suggestions from host employees, even if such difficulties also occur for other nationalities. This study demonstrates that effective listening plays a more important role on international assignments than in the domestic workplace, as it

creates a learning environment which enhances expatriate ability to make sense out of their interaction with HCNs as well as the general host environment (Brownell, 2008). Therefore, the findings from this study inform socio-analytic theory by stressing the importance of openness and in particular, the dimension of listening and its relevance to managers in a cross-cultural context.

Endurance

Endurance is identified as a new trait beyond the Big Five model that is perceived as an antecedent of CCC. The identification of this trait reinforces the context-embedded elements in the CCC framework. Previous studies (Caligiuri, 2000a; Downes et al., 2010; Huang et al., 2005; Shaffer et al., 2006) examined the influence of the context-free traits (i.e., the Big Five) on expatriate performance, but none has inspected the importance of indigenous traits on expatriate CCC. Endurance is an indigenous Chinese personality trait that is different from emotional stability. Wong, Graham, and David (2010) argue that while the traditional Chinese personality has been gradually eroding, some elements of it are still in strong evidence, including endurance. Endurance emphasizes more on the internal control of negative emotions (Farh et al., 2007) while emotional stability emphasizes more on the experiencing of positive emotions in stressful situations (Shaffer et al., 2006). Our findings indicate that emotional stability is likely to be insufficient for Chinese expatriates to cope successfully with the immense stress on international assignments and a stronger attribute is needed to endure psychological hardships. The trait of endurance is perceived to be helpful in controlling

internal impulses such as pre-mature return from current assignment under conditions of stress.

Caligiuri and Lazarova (2002) argue that support for expatriates comes from various sources including family, colleagues, host nationals, and other expatriates. Our findings unveil that Chinese expatriates' support channels are very limited as evidenced by separation from family for many expatriates; insufficient staffing and heavy workload from headquarters; negligible support of headquarters in terms of local knowledge and practices; as well as the absence of a local expatriate community due to the short history and rapid internationalization of Chinese companies. This study thereby demonstrates that expatriates from China face more severe problems than their counterparts from advanced markets in terms of their support systems on international assignments. Thus, the current study goes beyond the Big Five model and extends socio-analytic theory as a theoretical explanation for CCC by identifying a new antecedent, namely endurance of Chinese managers in a cross-cultural context.

7.2.2 Personal Skills

Besides personal attributes, this study also intends to identify skill sets that are essential for the CCC in the case of Chinese expatriates and explain the reasons why those skills are perceived as important. Four sets of skills were emphasized as antecedents of CCC, including communication skills, interpersonal skills, perceptual skills, and coordination skills. The findings contribute to social learning theory by identifying new skill

antecedents for CCC and highlight the importance of combining social learning theory and institutional theory which addresses the influence of home and host contexts as an integrated approach to explain expatriate CCC.

Communication Skills

Prior studies identified a four-factor model of skills for expatriate adjustment comprising communication skills, relational skills, perceptual skills, stress-management skills (Neupert et al., 2005; Yamazaki, 2010). While these studies simply list those four factors, the findings of the current study contribute to the model by demonstrating that communication skills were emphasized to be more important than interpersonal and perceptual skills. Seak and Enderwick (2008) indicate that cross-cultural communication integrates other skill clusters in contributing to effective overseas management. Our study indicates that communication skills could be a foundation and prerequisite for other skill clusters such as interpersonal and perceptual skills.

Furthermore, the findings reveal that a surprisingly large proportion of Chinese expatriates assigned to Non-English countries possess no knowledge of local languages, which inhibits their communication skills severely. Expatriate literature (e.g., Kim & Slocum, 2008; Peltokorpi, 2008) emphasizes local language proficiency as an important antecedent for adjustment, but very little is known about how expatriates cope without local language knowledge. This study unveils the serious restraints faced by Chinese expatriates in their skill development of communication and relationship building with

HCNs due to language deficiency, which also has negative impacts on their personal well-being (e.g., feel isolated and lonely). Ng, Dyne and Ang (2009) suggest that insufficient language skills will limit the quantity as well as the quality of meaningful contacts with locals. The findings of this study therefore contribute to social learning theory in two ways: First, the study reveals a close association between language capacity and communication skills in expatriates' CCC development. Second, it highlights communication skills as a primary mechanism for knowledge transfer and learning processes in foreign markets, which will lead to higher levels of CCC.

Interpersonal Skills

From the perspectives of Chinese expatriates and their foreign colleagues, this study demonstrates that possessing interpersonal skills is important for expatriates' information acquisition, obtaining trust and support from local subordinates, and getting tasks accomplished through appropriate interactions. This is in line with previous research suggesting that the amount of interaction with HCNs (Bhaskar-Shrinivas, Harrison, Shaffer, & Luk, 2005) as well as people orientation are positively related to expatriate adjustment and performance (Shaffer et al., 2006). Templer (2010) points out that expatriates' relational skills are the overriding competencies perceived by local subordinates for successful expatriate adaptation, and the unit performance under the supervision of expatriates. However, in this study, local employees revealed that a majority of Chinese expatriates failed to set up a close contact with locals, indicating a relatively weak developmental status of interpersonal skills by their managers.

The poorly developed relational skills of Chinese expatriates is an interesting finding due to the emphasis on relationships and networks (i.e., *guanxi*) within the Chinese context (Luo, 2007b). Although prior studies suggest that Chinese managers are very skilled in forming connections with other managers and political authorities to smooth their business operations (Dunning & Kim, 2007; Morck et al., 2008), such relational skills were demonstrated by the findings to be non-transferable to foreign cultural contexts. This can be attributed to the following reasons: First, scholars (Li & Scullion, 2010; Peng et al., 2008) argue that the local knowledge, legislation and regulations in emerging markets differ significantly from those in developed countries. Based on this understanding, it is likely that the route to developing a close relationship and the appropriate approaches to gain support and trust from subordinates can vary remarkably between emerging and developed markets. Although Morck, Yeung, and Zhao (2008) indicate that Chinese expatriates' networking abilities proved to be an asset in dealing with opaque political constraints in developing countries, the empirical evidence of this study demonstrate that such abilities hardly prove to be a competency in obtaining support or sustaining relationships in certain host countries especially advanced economies. The findings therefore suggest negligible influence of *guanxi* in the development of suitable interpersonal skills on overseas assignments, which elaborates social learning theory by examining the transferability of Chinese relational skills (i.e., *guanxi*) to foreign contexts.

Furthermore, this study indicates that Chinese expatriates focused mainly on interaction with local colleagues at work and appeared to be reluctant to socialize and build

friendships with them beyond work activities. Due to unequally distributed power in Chinese society (Humborstad, Humborstad, Whitfield, & Perry, 2008), it is rational to assume that Chinese managers may possibly neglect relationship building with those who are lower in the social or organizational hierarchy. The limited socialization activities with host subordinates is likely to cause a loss of valuable opportunities for Chinese expatriates to integrate local knowledge into their cognitive framework, as Li and Scullion (2010) argue that socialization is an important way of gaining local knowledge which supports expatriates' strategic decision making and the development of local competence. Furthermore, this also indicates a separation of the Chinese expatriate managers rather than integration in their acculturation process as they seem not to be attracted by local social activities (Tung, 1993). Such findings enrich social learning theory by highlighting the influence of home country culture such as power distance in the development of interpersonal skills for competent managerial performance of Chinese expatriates.

Perceptual Skills

The value theory of culture (Hofstede, 1994) suggests that perceptual skills are important for international assignment jobs in that such skills provide the basis for learning and reasoning about cultural differences when one is in a cross-cultural setting (Mendenhall & Oddou, 1985; Shin et al., 2006). Shin, Morgeson, and Campion (2006) argue that on international assignments, the increase in perceptual skill requirements is "due largely to changes in cultural contexts as opposed to language differences" (p.73).

Particularly, this study stresses the relevance of the paternalistic leadership theory (Chen & Kao, 2009) to perceptual skills in the case of Chinese expatriates. The findings demonstrate that authoritarian and benevolent leadership skills can cause problems while managing in developed countries as HCNs might emphasize autonomy and independence. Although Chinese managers are used to paternalistic leadership style which emphasize authority, benevolence and moral aspects (Cheng et al., 2004), certain elements of such leadership will pose challenges to the perceptual skill development of Chinese expatriates.

Social learning theory (Bandura, 2001, 2002) posits that learning from direct or vicarious host country experiences is a basic mechanism through which expatriates enhance their perceptual reasoning abilities and become adjusted step by step. Despite the importance of perceptual skills, little empirical attention has been paid to their effect on expatriate performance, especially in particular host country contexts (Shin et al., 2006). This study provides empirical evidence on perceptual skills of Chinese expatriates, which highlights the constraining effect of home-country based practices including authoritarianism and benevolence on the development of CCC.

Coordination Skills

Besides the above mentioned skill clusters, coordination skills were also perceived to be an important skill set for the development of CCC in the case of Chinese expatriate managers. This skill cluster has not been widely emphasized in expatriate literature and

it is a newly emerged theme from the data. A few studies (Hemmasi et al., 2010; Holtbrügge & Mohr, 2011) have stressed the importance of headquarter-subsidiary coordination and they argue that MNEs use expatriates to enhance the coordination among subsidiaries. Evidence from Chinese expatriate managers suggests that coordination skills are perceived as high-level leadership skills that integrate communication, interpersonal, and perceptual skills.

There is little research on how coordination skills are developed from home country contexts while this study provides empirical evidence on this. Chinese expatriates believe that a close relation exists between coordination and the Chinese collective cultural traditions. It is likely that, due to the late internationalization of Chinese MNEs, there is strong interdependence between Chinese headquarters and subsidiaries so that expatriates are used as a control mechanism for overseas operations (Shen & Darby, 2006). For expatriates from emerging markets, the requirements for coordination could be higher than their counterparts from developed countries due to the purposes of control and the knowledge transfer in both ways (i.e., from headquarters to subsidiaries and from subsidiaries to headquarters). This study therefore adds new elements to the four-factor model of cross-cultural skills by stressing the importance of coordination skills, especially for senior expatriate managers, to effectively manage cross-cultural operations.

7.3   Discussion of How Antecedents Contribute to Cross-cultural Competence

In analysing how the above identified antecedents contribute to CCC, one distinct and important theme emerged from the data analysis is that the cross-cultural context plays a significant role in reshaping the effects of certain antecedents on the developmental process of expatriate CCC. It highlights the need to incorporate institutional theory to the CCC framework as this theory emphasizes the influence of contextual factors (the political, legal and social environment) on managerial activities (Peng et al., 2008). This theory is also argued to be able to provide insights for a range of international management issues (Bjorkman et al., 2007).

Institutions are defined as the "rules of the game" in a society that constrain or empower social actions (North, 1990). To have a better understanding of a country's institutional context, Scott (1995) proposes a three-dimension structure of institutions comprising of regulatory, normative and cognitive aspects, to accommodate different levels of institutions that provide enduring features and meaning to a country's institutional arrangements. Regulatory institutions generally take the form of laws and regulations, which depict the political and legal environment of a country. Normative and cognitive aspects of institutions represent the social and cultural environment of a society. The former commonly takes the form of socially accepted operating procedures and the latter is reflected by culturally embedded rules and norms (Chao & Kumar, 2010). It is argued that culture underpins both normative and cognitive institutions (Kostova, 1999) by cultivating and regulating social behaviour. Based on the assumption that nations

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differ in terms of their regulative, normative and cognitive institutions, the central argument of institutional theory is that organizations are under pressure to adopt an isomorphism strategy (i.e., to mimic others' practices that are viewed as locally appropriate) (DiMaggio & Powell, 1991; Scott, 2008). Such process may enable organizations to gain institutional legitimacy as well as social and economic fitness to the local market (DiMaggio & Powell, 1983). Thus, it is worth analysing the constraining effect of the institutional environment on the antecedents of CCC in Chinese expatriates' international managerial activities.

7.3.1 Personal Attributes and Cross-cultural Competence

Research Question One (b) aims to understand how personal attributes contribute to the CCC of Chinese expatriate managers. In investigating this research question, it was found that cross-cultural contexts significantly shape the way in which personal attributes impose influence on the development of CCC. The constraining effects of institutional environments on expatriate attributes and CCC are discussed in detail below.

The Influence of Regulative Institutional Environments

In terms of the influence of the regulative institutional environments of host countries, this study highlights that all the Chinese expatriates interviewed in European countries and Australia explicitly expressed their need to be more conscientious and responsible

in learning and obeying host governmental policies and union legislations, which reflects the strong pressure for isomorphism to those regulative environments. Such findings can be interpreted as stemming from the different nature of the regulative institutional environments (e.g., sophisticated versus ambiguous) between those markets and China. It is believed that the regulative institutional framework established in most developed economies is relatively stable and sophisticated (Peng et al., 2008). By contrast, the institutional system in China is not soundly established, and is characterized by opaque political bureaucracies and imperfect legal systems (Morck et al., 2008). The regulative power of those institutions are usually not strong as they can be interpreted by people in different ways (Li & Scullion, 2010). It is likely that the managerial practices institutionalized in China would have more flexibility in complying with certain regulations than those in most advanced economies that could be quite different and much more enforceable. Thus, to a large extent, it depends upon the individual characteristics of expatriates to effectively deal with the complicated regulative arrangements.

On the other hand, the findings demonstrate that home country regulative institutional environment would also influence the competence of Chinese expatriates on international assignments. The managerial values and practices shaped by the home regulative environment can be successfully applied to several host countries if there are similar regulative institutional environments. In contrast to Chinese expatriates working in advanced countries, none of those working in African countries emphasized local regulative environment as posting a difficulty, which implies that managerial practices

developed from China could be transferred and thereby accepted by HCNs in African countries. Buckley and colleagues (Buckley et al., 2007) suggest that the institutional environments in African countries are weak and Chinese managers may have already developed capabilities to negotiate with bureaucracies that help mitigate risks while navigating similar institutional environments. Our findings support previous argument and suggest that the managerial effectiveness of Chinese expatriates will not be significantly affected by host regulative institutional environments similar to their home country. Although there might be pressure for isomorphism in those African countries, the under-developed nature of the host regulative institutions is likely to provide opportunities for Chinese expatriates to utilize their skills in terms of negotiating with government and other authorities to gain institutional support in the host market. Consequently, CCC of Chinese expatriates could be secured at a lower level than those working in a different context, such as in an advance economy, with the host regulative institutional environments very dissimilar to their home country.

The Influence of Normative and Cognitive Institutional Environments

In terms of the normative and cognitive institutions, the findings suggest that they would result in different perceptions regarding a similar concept between the expatriates and HCNs, which would create problems in work interactions. One normative institutional factor appears to be the relationship-based managerial practices adopted by Chinese expatriates. As affected by their home culture, Chinese expatriates emphasize 'guanxi' as the way corporate governance should be conducted in overseas markets. The

findings reveal that Chinese managers tend to place relationships over legal documents on certain occasions (e.g., executing contracts). In addition, they adopted a paternalistic leadership style which suggests a father-son managerial style to supervise foreign employees. The above behaviours could be viewed as inappropriate and could hamper the development of CCC due to their incompatibility with local cultural expectations.

The cognitive aspects of institutional environment are also found to be able to influence the expatriate-HCN interactions in the workplace. One aspect of cognitive institutional environment that reshapes personal attributes and the subsequent competence of expatriates is associated with the perception of supervisor-subordinate relationships. Under the influence of the Chinese culture embracing high power distance (Hofstede, 1994), Chinese expatriates are likely to adopt a perception that emphasizes the role of supervisors in decision-making, which could produce negative impact on their effectiveness. As revealed by the findings, certain expatriates were found to be reluctant to listen to suggestions from local employees, especially when there is any criticism, as they intended to save their own face in front of subordinates. Such intentions would pose negative influence on their openness and result in inability to perform tasks successfully. Certain countries (e.g., Poland, Australia) were evidenced to have more equity between supervisors and subordinates, and local employees expect their supervisors to listen to them carefully. The empirical evidence of this study hence contributes to an extension of socio-analytic theory by highlighting the effects of cognitive institutions, namely supervisor-subordinate relationships, on the antecedents of CCC such as openness and effective listening performed by Chinese expatriates.

Another interesting finding is the different interpretation of 'hard working' by Chinese expatriates and HCNs in different countries. The findings demonstrate that Chinese expatriates tend to interpret working hard as working overtime, while certain HCNs would interpret it as efficiency at work without compromising work-life balance. Such different perceptions are likely to result from the cognitive aspects of institutions regarding work-life relationships. In China, working overtime is becoming increasingly common as workers find it an effective mechanism for building their credibility and securing their jobs under severe competition (Wang & Shi, 2009). Furthermore, the concept of work-life balance is long missing in Chinese management practices (Zhang, Duxbury, & Li, 2005). Hence Chinese expatriate managers tend to expect local subordinates to work as hard as Chinese workers with little concern for work-life balance. The emphasis on working overtime may cause problems in certain host countries as locals are likely to demand a balance between work and leisure, particularly with family being regarded as important (GMAC Global Relocation Services, 2008). The discussion above indicates that socio-analytic theory needs to be refined by incorporating an institutional perspective which is discussed further in Section 7.4.1. Several institutional factors need to be considered while examining personal attributes as antecedents of CCC.

7.3.2   Personal Skills and Cross-cultural Competence

Research Question Two (b) investigates the way personal skills contribute to CCC. The findings highlight the importance of locally accepted managerial practices as well as

cultural values in home and host markets in constraining the way personal skills lead to CCC. Again, contextual factors emerged to be important in the effective application of certain skills in cross-cultural settings. Prior studies acknowledge the influence of environments on expatriates' skills and CCC (Bandura, 2001; Zakaria, 2000), but what institutional factors would be the most influential especially in constraining the skill development of expatriates and the consequent competence in cross-cultural settings have not been discussed. The findings contribute to social learning theory by suggesting the influence of certain normative and cognitive institutional factors as detailed below on the perceptions and subsequent competence of Chinese expatriates, which stresses the importance of including institutional theory into the CCC model as an additional theoretical explanation.

The Influence of Normative and Cognitive Institutions

As suggested by the findings, normative and cognitive institutions that delineate the social and cultural aspects of a society present as a prominent influence on how CCC is developed with certain personal skills. One normative institution that could influence CCC development of Chinese expatriates is associated with the managerial styles that are institutionalized in Chinese society, and are adopted by Chinese expatriates in their overseas management. It is suggested by the literature that a paternalistic leadership style is widely practiced in Chinese business organizations (Chen & Kao, 2009; Cheng et al., 2004), but the utility of this managerial style in Chinese MNEs' overseas operations has not been investigated.

The paternalistic leadership style used by Chinese expatriates is found to be able to affect all four sets of crucial skills that are emphasized as antecedents of CCC. The findings suggest that in host countries such as Poland and Australia, problems are likely to arise if Chinese expatriates tended to supervise local employees in a manner that involves every single step of the employee's work arrangements. Chinese expatriates perceived this as showing support and care to subordinates on the one hand, and reinforcing their authority in the workplace on the other. However, such behaviours could be perceived as interfering by local employees in Western countries and implying distrust. In this way the perceptual skills and interpersonal skills of Chinese expatriates could be negatively affected, which hampers the development of CCC. Similarly, emphasis on authoritarianism will reduce the willingness of Chinese expatriates to listen to subordinates, which reduces the effectiveness of their communication skills and coordination skills in cross-cultural settings. Although paternalistic leadership could have a positive effect on managing non-Western employees (Pellegrini et al., 2010), this study suggests that such leadership will not be transferable to Western countries.

The cultural dimensions within home and host institutional environments will also influence skill development of Chinese expatriates and their subsequent competence on international assignments. Similar to those discussed previously in Section 7.3.1, Chinese expatriates and HCNs would have different perceptions associated with supervisor-subordinate relationships and work-life relationships, which could hamper the development of interpersonal skills for CCC. The findings suggest that Chinese expatriates place much emphasis on work as several respondents indicated their

preference to focus on work rather than building relationships with HCNs for desired performance. However, such work-oriented behaviours and attitudes might be incompatible with local expectations as several foreign colleagues (i.e., those in Australia and England) clearly indicated their preference for a work-life balance, and their preference for developing interpersonal relationships through socialization rather than work interactions with Chinese expatriates.

7.4 Theory Building and Refining

By addressing the research questions of the study, the discussions above indicate that socio-analytic theory and social learning theory are not sufficient in explaining the complex nature of CCC, including its antecedents and its development. Rather, institutional environments of both home and host countries need to be integrated into the conceptual model of CCC, which leads to a refinement of socio-analytic theory and social learning theory in cross-cultural contexts.

7.4.1 Implications for Socio-analytic Theory

The identification of institutional influences on the antecedents of expatriate CCC has profound implications for existing theories. Prior studies mainly focused on measuring the relationships between individual characteristics and various expatriate effectiveness criteria (Kim & Slocum, 2008; Peltokorpi, 2008), while they failed to include the influence of home and host country institutional factors on the relationship between

personal attributes and CCC. This stream of research is based on socio-analytic theory which originates from domestic studies (Hogan & Holland, 2003), and it may not be suitable to explain CCC due to different situations in cross-cultural contexts.

The findings in this study demonstrate that the application of this theory to cross-cultural contexts needs to consider a range of institutional factors. This is because home-country institutions shape expatriates' personalities and their subsequent work behaviours, whilst host institutions would significantly influence expectations and perceptions of HCNs regarding CCC of the expatriate managers. A range of institutional factors has been identified as being able to influence how certain attributes are perceived differently in contributing to CCC, and those factors include sophisticated or ambiguous regulative frameworks, relationship-based or rule-based corporate governance, cultural values on supervisor-subordinate relationships and work-life balance. For example, this study demonstrates that the same trait (i.e., conscientiousness) will not always have the same degree or even the same nature of influence (positive or negative) on expatriate CCC due to different expectations in home and host countries.

Therefore, CCC is determined not only by expatriates' personal characteristics, but also by whether those attributes could work effectively in another institutional environment. This indicates that home and host country institutional differences would constrain the applicability of certain attributes in cross-cultural settings, and this study thus contributes to a refinement of socio-analytic theory for cross-cultural contexts by integrating an institutional perspective.

7.4.2   Implications for Social Learning Theory

Predominately, prior literature on expatriates' skill development is based on social learning theory (Bandura, 1977), which explains the learning procedure of expatriates. According to the theory, experience in the host country is essential for cross-cultural learning, and expatriates' skill development is a human learning process through which individuals proactively notice and reflect on unfamiliar behaviours, and continuously incorporate those new elements into their knowledge base in cross-cultural interactions (Bandura, 2002; Kolb & Fry, 1975). In addition, it is believed that contextual factors, as explained by institutional theory, would be able to determine expatriate behaviours (Bandura, 2001). However, it remains unclear in the literature about what specific contextual factors would be of influence in constraining expatriates' skill development.

Consistent with social learning theory (Bandura, 1977; Bandura, 2002), the findings suggest a relatively weak developmental status of skills by Chinese expatriates due to the short history of many Chinese MNEs and lack of accumulated international experiences. This is not surprising given the short internationalization history of many Chinese firms. The 'latecomer' positions of Chinese MNEs (Luo & Tung, 2007) have restrained the learning opportunities of their expatriates which in turn affects their cross-cultural skill development and utilization. In addition, social learning theory (Bandura, 1977; Bandura, 2002) can be used to explain why there is a lack of transference of domestic skills to a foreign context. For example, Chinese relational skills based on '*guanxi*' and leadership skills are evidenced to be non-transferable to certain host

country contexts, which illustrates that learning is essential in adapting and updating existing skills to meet the host-country social and cultural requirements.

This study provides new insights into social learning theory by highlighting the influence of institutional environments on the skill development for CCC. Several institutional factors are identified as able to constrain the effective application of certain skills in cross-cultural settings. Those factors include the normative dimensions of institutions such as the managerial practices institutionalized in China (i.e., paternalistic leadership style), as well as the cognitive aspects such as lack of work-life balance and power distance that could determine the perceived work role and leader-subordinate relations in cross-cultural workplaces. Thus, CCC is affected not only by expatriates' learning abilities, but also by how the cross-cultural context (i.e., differences in home and host institutions) would constrain the development and application of skills by those expatriates. This study therefore extends social learning theory by identifying specific institutional factors that impact on skill development and CCC of Chinese expatriate managers.

7.5   Refined Conceptual Model for Cross-cultural Competence

In Chapter 3, an initial conceptual framework of CCC and its antecedents was developed as shown in Figure 3.1. Based on the theoretical framework of CCC proposed by Johnson and colleagues (Johnson et al., 2006), as well as empirical evidence from previous studies (e.g., Peltokorpi, 2008; Zakaria, 2000), it was proposed

that two sets of antecedents would contribute to the development of CCC among Chinese expatriates. The first set of antecedents consisted of expatriates' personal attributes, including personality traits such as the Big Five (Conscientiousness, Openness, Agreeableness, Emotional Stability, and Extroversion), indigenous Chinese personality as context-embedded traits (i.e., submission to authority, filial piety, conservatism, endurance), and demographic characteristics such as age, gender, marital status, and prior experiences. The second set of antecedents included personal skills in cross-cultural settings, particularly context-free skills such as self-maintenance skills, interpersonal skills, perceptual skills, and communication skills as suggested by the literature, as well as context-embedded skills including authoritarianism, benevolence, and moral leadership skills.

Based on the research findings from this study, Figure 7.1 presents a refined conceptual model of expatriate CCC focusing on Chinese expatriates, which highlights new antecedents and new theoretical perspectives for the CCC framework. The findings demonstrate that previous theories in CCC (i.e., socio-analytic theory, social learning theory) cannot fully explain the empirical evidence presented by this study. Hence new theoretical explanations such as institutional theory need to be considered in the CCC framework. The refined model identifies the attributes of conscientiousness, openness, and endurance as antecedents of CCC, together with skill indicators of CCC including communication skills, interpersonal skills, perceptual skills, and coordination skills. These antecedents are highlighted in red with their main elements presented. New elements of antecedents (i.e., endurance, coordination skills) have been identified and

they reflect perspectives from Chinese expatriate managers as well as their subordinates/supervisors.

However, those factors may not always contribute to CCC as institutional factors highlighted in blue could affect HCNs' perceptions regarding those antecedents. The refined model thus contributes to new theoretical explanations of CCC by incorporating an institutional perspective to illustrate the constraining effects of institutional contexts on CCC antecedents and development. Based on the discussion in preceding sections, it is evident that the institutional factors listed in the model could influence the effective application of certain antecedents, which result in negative outcomes of CCC. Such institutional differences explain why the same antecedent could impose either positive or negative effects on CCC in different situations. The relationships between antecedents (i.e., personal attributes, personal skills), institutional factors, and CCC are reflected by the arrows.
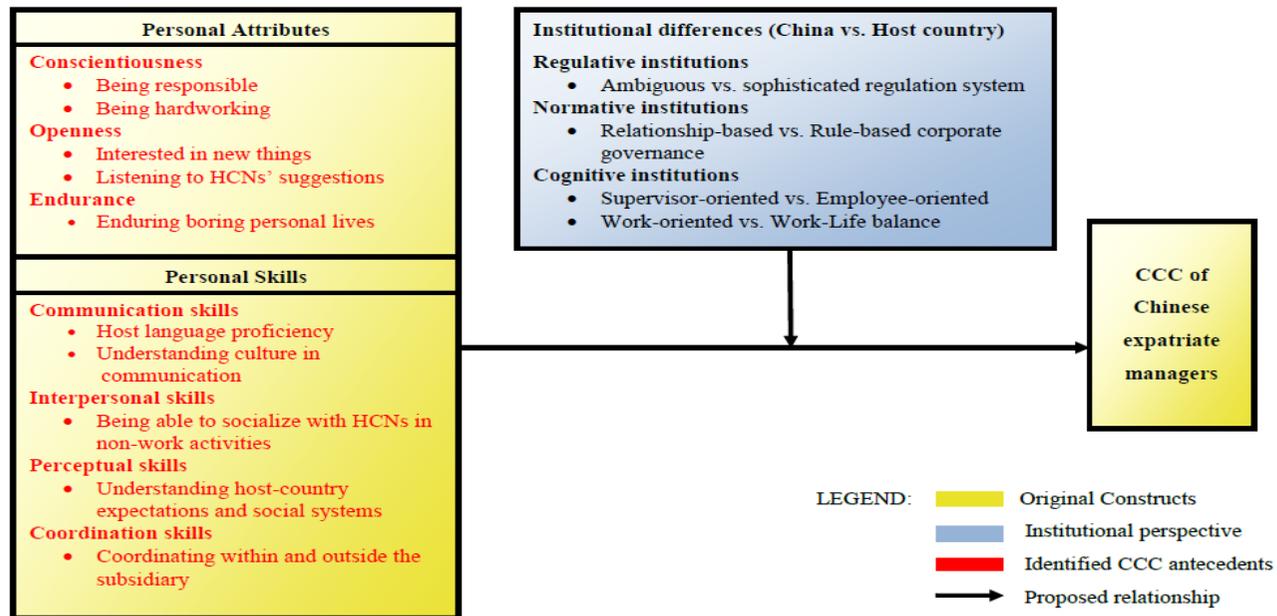
Figure 7.1 Refined Conceptual Model of Chinese Expatriate Managers' Cross-Cultural Competence (CCC)

Integrating the institutional perspective into the original CCC conceptual model is important, as there is no doubt that institutional factors would influence not only behaviours of Chinese expatriates, but also how CCC is perceived by HCNs in host countries. The influence of context on workplace behaviour has long been identified in the literature (e.g., Bandura, 2001). However, it is still not clear what factors differentiate institutional environments of nations and how those differences would suppress or facilitate the development of CCC. This study contributes to the CCC framework by identifying four prominent institutional factors that to a large extent differentiate various national environments for business operations, and those factors would also pose significant influence on how CCC is achieved with its antecedents. As shown in Figure 7.1, the most important institutional factors that affect the influence of antecedents on CCC are the ambiguous or sophisticated nature of laws and regulations within a country, the relationship or rule based approaches to corporate governance, the culturally embedded expectations in the supervisor-subordinate relationships and different attitudes towards work-life relationships in different countries.

The refined conceptual model suggests that CCC is a complex phenomenon, due to cross-cultural contexts and human perceptions influenced by their home environments. Not only do people value different internal dispositions and capabilities in order to become cross-culturally competent, but also they possess different perceptions and understandings regarding the same concept due to their different cultural backgrounds. This model highlights specific institutional factors that reshape the relationships between antecedents and CCC, which provides explanations for the unexpected findings

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of previous studies (e.g., Shaffer et al., 2006) that contrasts with theoretical explanations of the Big Five model, socio-analytic theory, and social learning theory. The refined model could be used to better explain and anticipate the development of expatriate CCC within the complex cross-cultural environment in which expatriates operate.

7.6   Conclusion

This chapter provides a discussion of the theoretical contributions of this study based on the two research questions. The theoretical contributions to the expatriate CCC literature are first, this study identifies new antecedents of CCC which could assist Chinese expatriate to develop their CCC on international assignments. Second, this study highlights the significant influence of the home and host country institutional environments on the effective function of certain antecedents in cross-cultural contexts. This leads to the need to integrate an institutional theoretical perspective to explain CCC of expatriates. Third, our findings suggest a range of institutional factors as the most influential ones that could facilitate or suppress the development of CCC, which extends our understanding of the limited explanations of socio-analytic theory and social learning theory in cross-cultural contexts. In summary, a new conceptual model for Chinese expatriates' CCC development is provided, with new antecedents and new theoretical perspectives incorporated into the model. The implications of this study are discussed in the next chapter, together with limitations and future research directions.

CHAPTER 8 CONCLUSION

8.1 Chapter Objectives

This final chapter provides concluding remarks for this study. Section 8.2 presents a discussion of contributions to theory-building in the area of CCC. It also highlights the methodological contributions made by this study to expatriate literature. Section 8.3 discusses practical implications of this study, including implications for expatriate management in MNEs and implications for expatriate managers and local employees from the perspective of their CCC development. The limitations of this study and directions for future research are provided in Section 8.4. Finally, Section 8.5 summarizes the chapter and provides a final summary of the whole thesis.

8.2 Contributions of the Study

This study has made significant contributions to the research area of international human resource management (IHRM). Theoretically, it extends socio-analytic theory and social learning theory to the Chinese context and refines the application of those theories to emerging markets by incorporating institutional theory to explain the development of CCC by Chinese expatriate managers. Methodologically, this study contributes to IHRM literature by adopting a qualitative research design, and using multi-level data analysis to triangulate the findings (Fischer & Reuber, 2003). Practically, this study has significant implications for expatriate management in Chinese

MNEs, and the competency development of expatriate managers as well as their host country subordinates. These contributions are discussed in the following three sections.

8.2.1   Contributions to Theory Development

It is evident that the IHRM literature has focused predominately on HRM practices originated from developed country MNEs (Downes et al., 2010; Johnson et al., 2006; Seak & Enderwick, 2008; Shaffer et al., 2006; Templer, 2010), while very few studies have reported empirical evidence on the IHRM activities and expatriate management in emerging market MNEs (Shen & Darby, 2006). In terms of expatriate CCC in particular, little research has been conducted in emerging market MNEs, especially Chinese MNEs that act as the largest source of FDI among emerging economies (Yang, Jiang, Kang, & Ke, 2009). The research findings of this study contribute to theory development by investigating the transferability of CCC frameworks developed in Western countries to emerging markets and also provide new insights on CCC from the Chinese perspective.

In particular, this study contributes to the development of socio-analytic theory (Hogan, 1996; Hogan & Roberts, 2000) by extending it to cross-cultural contexts. Many studies (i.e., Caligiuri, 2000a; Downes et al., 2010; Huang et al., 2005; Shaffer et al., 2006) draw on this theory to examine the influence of individual personality on expatriate CCC, but this theory has its limitations for cross-cultural research as it is initiated from domestic studies (Hogan & Holland, 2003). By investigating expatriates from an emerging economy like China, the current study provides conflicting findings to our

previous understanding of the theory in terms of what personality traits are important in leading to desired CCC, and how those traits function in cross-cultural workplaces. Socio-analytic theory illustrates that the trait of conscientiousness serves as the most direct and significant predictor of better work performance in the domestic context (Hurtz & Donovan, 2000), but our findings show that conscientious Chinese expatriates could perform undesirably on international assignments due to incompatible home and host country expectations. The findings highlight how the differences between home and host institutional environments could constrain the applicability of certain traits in different institutional contexts.

Similarly, this study also refines social learning theory in its application to cross-cultural contexts by emphasizing the role of home and host country institutions in facilitating or suppressing the development of expatriate CCC. Although social learning theory (Bandura, 1977; Bandura, 2002) highlights the influence of environments on individual behaviours and adjustment to a new culture, it is still not clear in the literature which contextual factors are more prominent than others in constraining or facilitating the development of CCC. The findings from this study contribute to theory development by identifying the negative influence of the paternalistic leadership style in constraining the development of personal skills (i.e., communication skills, interpersonal skills, perceptual skills, and coordination skills) as antecedents of CCC. It also recognizes other institutional factors such as work-life balance and power distance which could affect the interpersonal skills and communication skills of Chinese expatriates. Hence, a major theoretical contribution of this study is the integration of

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multiple theoretical perspectives (i.e., socio-analytic theory, social learning theory, institutional theory) to explain CCC, given that a single theory is not sufficient to offer an explanation.

Based on the findings, a refined conceptual model is proposed in the previous chapter to highlight the institutional influence of home and host contexts on expatriate CCC. It is illustrated by the current study that the CCC literature needs to incorporate institutional theory to explain how antecedents contribute to CCC, as personal attributes and personal skills as determinants of CCC are highly institutionalized in expatriates' home country contexts. Therefore, it cannot be simplified that certain traits or skills can always facilitate expatriate competency in cross-cultural settings, without considering the influence of cross-cultural contexts that create different expectations between home and host countries, and among various host markets. The findings highlight the intertwining effect of antecedents and institutions in contributing to CCC, suggesting that antecedents alone cannot result in CCC but are constrained by home and host country institutional distinctions in terms of regulative systems, corporate governance practices, supervisor-subordinate relationships, and work-life relationships. This study presents the very first initiatives to introduce institutional theory (Peng et al., 2008; Scott, 1995) to the CCC literature (Bird et al., 2010; Johnson et al., 2006) by stressing the interaction between CCC antecedents, institutions, and CCC outcomes from an emerging market perspective.

8.2.2 Methodological Contributions

This study also makes significant methodological contributions to the area of CCC. As suggested by several researchers (Goodall, 2002; Shaffer et al., 2006), the literature on cross-cultural studies has long suffered from single source data analysis which is insufficient in capturing the complex nature of cross-cultural interactions. Therefore, information collected from multiple sources would be more preferable as Podsakoff et al. (2003) argue data triangulation from multiple levels is an effective technique that can be used to control common method bias in behavioural research. Following this notion, the most important methodological contribution made by this study is that we included data from multiple groups of informants to understand the complex nature of CCC. The author not only interviewed Chinese expatriate managers, but also their foreign colleagues, supervisors, and cross-cultural consultants were included to explore their perceptions regarding the antecedents of CCC and how those antecedents impact on the development of CCC. The findings from multiple groups are triangulated to make the conclusions more robust and rigorous as suggested by many scholars (Fischer & Reuber, 2003; Freeman & Cavusgil, 2007; Reuber & Fischer, 2005; Schweizer, 2005).

Furthermore, this study investigates management perceptions in multiple countries, focusing on Chinese managers working in Chinese MNEs' overseas subsidiaries. As noted by scholars, it is very difficult to conduct research in Chinese MNEs (Hutchings, 2004), especially interviewing and understanding managers' perceptions as Chinese are not used to discussing their viewpoints openly to strangers (Wang, 2011). Being of

Chinese origin, the author of this study used personal and social networks to access managers in Chinese MNEs. This assisted the author in becoming an in-group member and gaining trust from Chinese expatriates quickly. The cultural familiarity between the author and the interviewees allowed the author to have insights into the information received that may not be visible to outsiders (Karra & Phillips, 2008). Methodologically, expatriate studies focus predominantly on survey questionnaires (Downes et al., 2010; Shaffer et al., 2006; Templer, 2010), while the perceptions of people involved in cross-cultural interactions have not been investigated deeply. The current study makes methodological contributions in terms of exploring managers' perceptions to better understand CCC, especially from the perspectives of Chinese expatriate managers that have not been well investigated previously.

By adopting a qualitative research design, this study is not able to make statistical generalizations but it is reliable and valid to generate theoretical insights on expatriates' cross-cultural management. Following the suggestions of Freeman and Cavusgil (2007), interviewees were asked similarly worded questions to maintain consistency among different groups. Further, to avoid socially desirable answers from interviewees, the author employed anonymity to reduce incentives for interviewees to be less accurate, and the author presented themes back to selected interviewees to cross-check the information obtained. Overall, the themes were developed and agreed upon by frequent discussions of a group of researchers including the supervisory team, one of which was Chinese, which further ensured the reliability and validity of this study.

8.3   Managerial Implications of the Study

Besides significant theoretical and methodological contributions, this study also has important managerial implications not only for Chinese MNEs, but also for MNEs from both emerging and advanced markets. The managerial implications can be applied in expatriate selection and training in MNEs, and competency development of expatriates as well as local subordinates in overseas subsidiaries. The practical contributions are discussed below.

8.3.1   Implications for Expatriate Management in MNEs

The findings have considerable implications for expatriate selection and cross-cultural training useful not only for Chinese MNEs, but also beneficial for MNEs from other emerging markets as well as developed countries. It is important for the human resource managers in MNE headquarters to carefully select suitable candidates with desirable attributes and skills that are likely to be successful for international assignments, and provide them with appropriate training and support before and during expatriation.

Selection criteria for expatriates in contemporary MNEs have focused on individuals' technical competencies (Caligiuri, 2000b), personality characteristics (Caligiuri & Tarique, 2009; Caligiuri, 2000b), as well as candidates' existing knowledge and experiences in host countries (Peltokorpi, 2008). The current study not only highlights the importance of selecting potentially successful expatriates based on their internal

dispositions, but also illustrates the significant constraining effects of home and host country environments on expatriates' CCC development. In the case of Chinese MNEs, the findings demonstrate that for expatriates working in Middle Eastern or African countries, expatriates with the characteristics of being responsible and the ability to endure hardships would adjust better to the tough local environments. On the other hand, while working in developed countries, Chinese expatriates who are characterized by an open mind and also conscientious towards learning and complying with local legislations and business partners' requirements would be better performed than those who do not possess such personal attributes. More importantly, the study illustrates that instead of presuming that certain kinds of personality traits will result in CCC, consideration should be given to home and host country institutional factors that result in different expectations between expatriates and HCNs. This is because the findings suggest, one trait that is considered as helpful for work performance in one country may produce negative work outcomes in another context.

In addition, cross-cultural training would also be helpful for expatriates particularly for first-time assignees to adjust better to host country working and living environments. Although cross-cultural training is studied extensively in developed country MNEs (Black & Mendenhall, 1990; Okpara & Kabongo, 2011; Puck et al., 2008; Shen & Lang, 2009), it is an under-emphasized area in the literature of Chinese MNEs. Shen and Darby (2006) suggest that Chinese MNEs provide very limited training to expatriates, and they simply assume that successful domestic managers would also be successful in overseas markets. However, our findings suggest that Chinese expatriates

have encountered many managerial difficulties due to cultural novelty, and hence cross-cultural training is likely to enhance their development of CCC in host markets. This study suggests that one effective way for cross-cultural training might be to focus on the social-cultural aspects of host country behaviours, as suggested by Yang, Wang and Drewry (2009). In particular, it is identified that Chinese expatriates tend to prefer relationship-based managerial styles (i.e., indirect communication, paternalistic supervising styles) in working activities, while such styles may not suit social expectations and working attitudes in some host countries (e.g., European countries, Australia). Thus the training programs need to highlight different managerial styles preferred in the host country in order to prepare the expatriates with local knowledge especially related to managerial activities. In summary, Chinese MNEs need to improve training courses both in quality and quantity to support the CCC development of Chinese expatriates.

8.3.2 Implications for Expatriate Managers and Local Employees

This study has significant implications for expatriate managers and local employees involved in cross-cultural interactions. The most prominent implication is that both parties need to understand the reality that work behaviours differ because attitudes and values embedded in different national contexts could be very different. It is possible for an expatriate to believe that he or she is doing the right, reasonable thing, but for this action to be interpreted negatively by host country employees (Goodall et al., 2006). In the case of Chinese expatriates' experiences, high dedication to work by neglecting

work-life balance may be deemed by others as strict and inhuman; detailed guidance and close supervision may seem interruptive and annoying. It may be very difficult for Chinese expatriates to become cross-culturally competent without realizing the differences in perceptions held by themselves and HCNs. Accordingly, for Chinese expatriate managers currently working on international assignments or those intending to do so, it is argued that they need to be aware of their Chinese mindset that may result in behaviours inconsistent with local expectations. Understanding the differences between their and HCNs' mindsets due to the context in which they grew up could help expatriates adjust their behaviours and managerial practices (Caligiuri & Tarique, 2009; Huang et al., 2005).

If local employees are not used to overtime working, Chinese expatriate managers could plan their tasks and avoid "last-minute" pressure on their subordinates as HCNs may be annoyed by such pressures and likely to be very reluctant or simply decline to work overtime. Although there is an overwhelming trend in China that more and more workers are willing to work overtime for free (Wang & Shi, 2009), it is not the case in many other countries. Therefore, Chinese expatriates need to remind themselves that they cannot expect local employees to behave in the same way as many Chinese workers do. Chinese expatriates could also empower employees and involve them in decision making processes where possible, which will enhance employee engagement in managerial activities and smooth the task implementations (Gruman & Saks, 2011; Markos & Sridevi, 2010). On the other hand, Chinese expatriates need to shift their focus from completing tasks to a balance between task completion and relationship-

building with local organizational members. Several foreign colleagues implied that their Chinese managers were not very social, which had affected their ability to gain trust from local employees and to motivate them. One possible way for those Chinese expatriates to strengthen relationships with HCNs could be to devote time to 'chatting' and socializing with subordinates rather than focusing only on work (Johnson, Kristof-Brown, Van Vianen, De Pater, & Rigsby, 2002). Good relationships with local employees could help cooperation in the workplace and facilitate knowledge sharing and task completions as a consequence (Farh et al., 2010; Neupert et al., 2005; Templer, 2010).

Also, it is important for Chinese expatriates to change their perceptions on the over-emphasis of "face" in the workplace. Clearly, people in many other countries do not put much emphasis on protecting other's "face" in order to get work done (Zhu, 2009). Although saving "face" is an effective way in maintaining desired interpersonal relationships in China (Seak & Enderwick, 2008), it may not be a beneficial approach in foreign countries. As the findings indicate, the intention to protect either one's own "face" or others' "face" would result in inappropriate managerial styles that could produce negative work outcomes. Thus, in order to develop their CCC, Chinese expatriates need not be too cautious of losing one's own face in front of local subordinates and be willing to listen to different opinions and ideas from HCNs.

For local employees working in subsidiaries of Chinese MNEs, this study also provides valuable implications for working with Chinese expatriates. It is important for them to

realize that cultural differences may not always serve as barriers to a satisfactory interaction between expatriates and local colleagues (Saunders, Altinay, & Riordan, 2009). Rather, the integration of different cultural values can facilitate knowledge transfer and could also bring vibrant and positive stimulus to the organization (Farh et al., 2010). For example, some foreign colleagues participating in this study did mention that the strong work ethic of the Chinese expatriates actually boosted the company, because striving for success could be a good way to enthuse people to work towards a common goal. In addition, experiencing different cultures could be very interesting and inspiring (Howe-Walsh & Schyns, 2010). Working with Chinese expatriates provides a great opportunity for foreign colleagues to experience different ways of doing things in the workplace, which might be helpful in changing their existing work values and habits to improve efficiency. Hence, for foreign colleagues working with Chinese expatriates, there is a significant opportunity for them to benefit from the multi-cultural working environment and their CCC could be enhanced which will equip them to work in an increasingly dynamic global market (Li & Madsen, 2010).

8.4 Limitations and Future Research

Although this study enables the author to fully achieve the research objectives and answer the research questions raised in Chapter Three, there are some limitations of this study that need to be acknowledged. First, the sample of this study is not completely representative, although it is significant in terms of theoretical contributions. In terms of the first interviewee group-Chinese expatriates, the sample covers those working in a

wide range of countries including Asia, Middle East, Europe and Africa, but failed to cover those working in major American countries such as the US and Canada. It is evident that American countries have also attracted many Chinese investing companies, so Chinese expatriates working in those countries could have been included in the sample. However, due to the lack of access to those firms and the availability of respondents, those expatriates were not included. Similarly, foreign colleagues are not representative of all foreign colleagues working with Chinese expatriate managers. They were also mainly based in Asia, Europe and Australia and the limited locations of respondents might have inhibited our ability to provide an overall understanding of all Chinese expatriate managers working in all countries. Foreign colleagues, supervisors and cross-cultural consultants are not necessarily matched with Chinese expatriates which might be another limitation. Nonetheless, our sample is significant in making theoretical contributions, and it has covered a wide range of host countries.

Second, the current study explores institutions on a country-level basis without including any firm-specific institutional factors (e.g., organizational culture). One of the primary contributions this study makes to literature is that it identifies the significant constraining effects of home and host country institutions on the process of expatriate CCC development. The differences between home and host country institutional environments are compared at a country level, including institutions across regulative, normative and cognitive pillars of national institutions. Future studies could consider organizational factors such as organizational culture and organizational type as they might also influence expatriates' ability to effectively manage cross-cultural activities.

Third, this study does not provide quantitative evidence to support the qualitative findings. Although it identifies that institutional differences across regulative, normative and cognitive pillars between home and host countries will constrain the influence of personal attributes and personal skills on the development of expatriate CCC, the findings were derived from interviewee perceptions which could not measure the extent to which institutional factors could influence CCC development. Future studies could try to test the qualitative findings with quantitative evidence to enhance the generalizability of the findings.

Despite the limitations discussed above, it is evident that this study is significant in making theoretical contributions. Those limitations do not detract from the strengths of the study but merely provide a platform for future research which is now overviewed. First, the study provides a comprehensive conceptual framework based on the qualitative data analysis. Future studies could further test the model with diverse expatriate groups and a larger sample size to confirm the findings. In addition, our conceptual model provides a good starting point for future IHRM scholars to incorporate an institutional perspective into expatriate studies. More studies are needed to explore the nature of relevant institutional factors and how those factors affect expatriate behaviour and cross-cultural management outcomes using diverse expatriate groups. Finally, researchers could also take into consideration the institutional diversity at an organizational level (i.e., organizational culture) when studying CCC. Future studies could investigate the influence of the parent company's cultural values on expatriates' adjustment and their skill development in foreign markets. Similarly, host

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country organizational characteristics could also be explored to examine their effects on expatriate behaviour and CCC.

8.5 Summary

With increasing FDI by Chinese companies, the need for having cross-culturally competent Chinese expatriates to work overseas is continuing to increase. Selecting people with suitable attributes and desirable skills who will be successful on international assignments is a complicated yet very important task for Chinese MNEs. Recent IB literature also calls for attention on FDI from emerging markets (Luo & Tung, 2007), and the associated post-entry challenges of emerging market multinationals (Tung, 2007b).

Responding to that call, this study has provided key insights into post-entry managerial activities of Chinese MNEs' overseas operations, focusing especially on how Chinese expatriates develop their CCC on international assignments. Two sets of research questions were explored focusing on what antecedents contribute to CCC, and how those antecedents contribute to CCC. A range of personal attributes (i.e., conscientiousness, openness, endurance) and personal skills (i.e., communication skills, interpersonal skills, perceptual skills, coordination skills) were identified as useful antecedents, and the situations under which those factors would lead to CCC were also investigated. In doing so, we contribute to the theoretical perspectives of socio-analytic theory, social learning theory and also the overall conceptual model of CCC. New

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elements of CCC antecedents were identified based on the perceptions of expatriates from a new context-China, and the unexpected influence of certain antecedents was also identified by investigating institutional influence on human perceptions.

The mainstream IHRM literature assumes that the Big Five personality traits that could predict work success in domestic environments could also be theoretically justified to predict expatriate success in cross-cultural contexts (Caligiuri, 2000a; Huang et al., 2005; Shaffer et al., 2006). This theory refining and theory building research showed that the influence of personality on expatriate CCC is more complex than the literature suggests, and the same trait could have different degrees or even different directions (i.e., positive or negative) of influence on expatriate performance due to different cross-cultural situations. Thus, this study contributes to a refinement of socio-analytic theory for cross-cultural contexts by incorporating the moderating role played by home and host country institutional differences. In a similar vein, literature also suggests several universal cross-cultural skill clusters that would be helpful for expatriate adjustment and effectiveness (Black & Mendenhall, 1990; Seak & Enderwick, 2008; Yamazaki & Kayes, 2004) regardless of home and host country contextual factors. This study again demonstrates the significant influence of contextual factors on the effective application of skills, which would result in unexpected outcomes of CCC. This leads to an integration of institutional theory into the conceptual framework of CCC, which demonstrates the influence of institutional factors on CCC antecedents and development. A range of institutional factors focusing on corporate governance approaches and supervisor-subordinate relationships were identified and discussed with regard to their

constraining effects on expatriates' skill development and subsequent CCC development. Social learning theory is thus refined and extended by incorporating those institutional factors, and is well positioned to explain skill development of those expatriates managing in very different institutional environments.

In conclusion, the present research deepens our understanding and depicts a more complete picture of expatriate CCC from the perspective of emerging market MNEs. The use of previous CCC conceptual frameworks (i.e., Johnson et al., 2006) might result in inaccurate predictions if the various contextual factors within home and host countries are not taken into consideration. The revised conceptual model in the current study encapsulates the complex nature of CCC by presenting evidence to support new elements in the CCC model and more importantly, an institutional perspective to interpret the model. Future research is well positioned to explore more institutional elements in expatriate CCC based on the revised model, to further advance theoretical development in the area of IHRM and help MNEs in their selection and training of expatriates for global operations.

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MONASH University

Appendix A: Explanatory Statement for Chinese expatriate managers

Title: **An Integrated Approach to Exploring Cross-cultural Competence: Empirical Evidence of Expatriates from Chinese MNEs**

This information sheet is for you to keep.

My name is **Dan Wang** and I am conducting a research project with **Associate Professor Susan Freeman, and Associate Professor Cherrie Jiuhua Zhu** in the **Department of Management** towards a **PhD degree** at Monash University.

Why have you been selected to participate in this research?
You have been selected because of your position as a Chinese expatriate manager---the manager posted by a Chinese multinational enterprise (MNE) to manage overseas operations. If you have been working on international assignments for more than half a year and have been supervised local employees on a daily basis, you are eligible for this study. Your contact details have been obtained from either the Chinese overseas chamber of commerce, or the headquarters of the Chinese multinationals.

The aim/purpose of the research
The aim of this study is to find out what factors will significantly contribute to cross-cultural competence of Chinese expatriate managers. Cross-cultural competence refers to the ability to work successfully with people from different national cultural backgrounds.

Possible benefits
The findings will help the Chinese managers build up their cross-cultural competence to work effectively with partners/employees from different cultural backgrounds. This will further help the Chinese MNEs perform better in their overseas operations.

What does the research involve?

This study involves in-depth interviews with Chinese expatriate managers, and also their supervisors, foreign colleagues and other parties to provide different perspectives to the cross-cultural management issues of Chinese expatriate managers.

How much time will the research take?
The in-depth interviews will take approximately one hour each to complete.

Inconvenience/discomfort
There are no sensitive or offensive questions in the interview. The only inconvenience will be the cost of your time. We appreciate your time and your contributions very much.

Payment
Participation in the interview is voluntary. However, the research findings can be provided upon request.

Can I withdraw from the research?
Being in this study is voluntary and you are under no obligation to consent to participation. You may withdraw at any stage of the project.

Confidentiality
Your responses in the interview will be coded as interviewee A, B, C etc, and the companies will also be coded without any identifying characteristics. Upon publication of the interview data, no individual or company will be identifiable in any way.

Storage of data
Storage of the data collected will adhere to the University regulations and kept on University premises in a locked cupboard/filing cabinet for 5 years.

Use of data for other purposes
If the data is used for other purposes (such as a journal paper or conference paper), they will not contain any individual names or identifiable characteristics under any circumstances.

Results
If you would like to be informed of the aggregate research finding, please contact **Dr Susan Freeman** on **+61 3 9903 2674** or **Dan Wang** on **+61 3 9903 1395,** or fax **+61 3 9903 2718**, or e-mail: **Dan.Wang@buseco.monash.edu.au**

If you would like to contact the **researchers** about any aspect of this study, please contact the Chief Investigator:	If you have a **complaint** concerning the manner in which this research **<insert your project number here>** is being conducted, please contact:
Dr Susan Freeman Department of Management Faculty of Business and Economics Monash University	<u>**Qingbin Li**</u> <u>Room 2301, Suite B, Building 9</u> <u>Student apartment, West region</u> <u>Nankai University, 94 Weijin Road,</u>

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Thank you very much for your time and your participation!

MONASH University

Appendix B: Explanatory Statement for Foreign Colleagues

Title: **An Integrated Approach to Exploring Cross-cultural Competence: Empirical Evidence of Expatriates from Chinese MNEs**

This information sheet is for you to keep.

My name is **Dan Wang** and I am conducting a research project with **Associate Professor Susan Freeman, and Associate Professor Cherrie Jiuhua Zhu** in the **Department of Management** towards a **PhD degree** at Monash University.

Why have you been selected to participate in this research?
You have been selected because you are a foreign colleague of Chinese expatriate managers---the managers posted by a Chinese multinational enterprise (MNE) to manage overseas operations. If you represent the local mainstream culture and you have been working with a Chinese manager for more than six month on a daily basis, you are eligible for this study. Your contact details have been obtained from Chinese expatriates who have introduced you to this study and have explained the voluntary nature of participation.

The aim/purpose of the research
The aim of this study is to find out what personal characteristics and personal skills will significantly contribute to cross-cultural competence of Chinese expatriate managers. Cross-cultural competence refers to the ability to work successfully with people from different national cultural backgrounds. Chinese managers' competence to manage cross-culturally needs to be assessed by foreign colleagues working with them.

Possible benefits
The findings will help you understand Chinese expatriate managers better and will help Chinese expatriates build up their cross-cultural competence to work effectively with partners/employees from different cultural backgrounds.

What does the research involve?
This study involves in-depth interviews with Chinese expatriate managers, and also in-depth interviews with their foreign colleagues, supervisors and other parties (i.e., cross-cultural consultants) to provide different perspectives to the cross-cultural management issues of Chinese expatriate managers.

How much time will the research take?
The in-depth interviews will take approximately one hour to complete.

Inconvenience/discomfort
There are no sensitive or offensive questions in the interview. The only inconvenience will be the cost of your time. We appreciate your time and your contributions very much.

Payment
Participation in the research is voluntary. However, the research findings can be provided upon request.

Can I withdraw from the research?
Being in this study is voluntary and you are under no obligation to consent to participation. You may withdraw at any stage of the interview.

Confidentiality
Your responses in the interview will be strictly confidential. Your personal information will be coded as interviewee A, B, or C and your company will also be coded. In this way, your anonymity is guaranteed. No individual will be identifiable upon publication of the data.

Storage of data
Storage of the data collected will adhere to the University regulations and kept on University premises in a locked cupboard/filing cabinet for 5 years.

Use of data for other purposes
If your anonymous data is used for other purposes (such as a journal paper or conference paper), because it is anonymous data, nobody will be identified in any way.

Results
If you would like to be informed of the aggregate research finding, please contact **Dr Susan Freeman** on **+61 3 9903 2674** or **Dan Wang** on **+61 3 9903 1395,** or fax **+61 3 9903 2718**, or e-mail: **Dan.Wang@buseco.monash.edu.au**

If you would like to contact the **researchers** about any aspect of this study, please contact the Chief Investigator:	If you have a **complaint** concerning the manner in which this research **<insert your project number here>** is being conducted, please contact:
Dr Susan Freeman Department of Management Faculty of Business and Economics Monash University Caulfield East, VIC 3145 Tel: +61 3 9903 2674 Fax: +61 3 9903 2718 Email: Susan.Freeman@buseco.monash.edu.au	Executive Officer, Human Research Ethics Standing Committee on Ethics in Research Involving Humans (SCERH) Building 3e Room 111 Research Office Monash University VIC 3800 Tel: +61 3 9905 2052 Fax: +61 3 9905 1420 Email: scerh@adm.monash.edu.au

Appendix C: Explanatory Statement for Expatriate Supervisors and Cross-cultural Consultants

Title: **An Integrated Approach to Exploring Cross-cultural Competence: Empirical Evidence of Expatriates from Chinese MNEs**

This information sheet is for you to keep.

My name is **Dan Wang** and I am conducting a research project with **Associate Professor Susan Freeman, and Associate Professor Cherrie Jiuhua Zhu** in the **Department of Management** towards a **PhD degree** at Monash University.

Why have you been selected to participate in this research?
You have been selected because you are engaged in managing Chinese expatriates (supervisors) or providing cross-cultural training to Chinese expatriates (cross-cultural consultants). If you have been working with Chinese expatriate managers (i.e., those who were posted to international assignments) for more than one year, you are eligible for this study. Your contact details have been obtained from Chinese expatriate managers who participated in this study.

The aim/purpose of the research
The aim of this study is to find out what personal characteristics and personal skills will significantly contribute to cross-cultural competence of Chinese expatriate managers. Cross-cultural competence refers to the ability to work successfully with people from different national cultural backgrounds.

Possible benefits
The findings will help Chinese expatriates build up their cross-cultural competence to work effectively with partners/employees from different cultural backgrounds. This study will also help Chinese MNEs establish their human resource pool with competent skills to manage overseas operations.

What does the research involve?
This study involves in-depth interviews with Chinese expatriate managers, and also in-depth interviews with their foreign colleagues, supervisors and other parties (i.e., cross-cultural consultants) to provide different perspectives to the cross-cultural management issues of Chinese expatriate managers.

How much time will the research take?
The in-depth interviews will take approximately one hour to complete.

Inconvenience/discomfort
There are no sensitive or offensive questions in the interview. The only inconvenience will be the cost of your time. We appreciate your time and your contributions very much.

Payment
Participation in the research is voluntary. However, the research findings can be provided upon request.

Can I withdraw from the research?
Being in this study is voluntary and you are under no obligation to consent to participation. You may withdraw at any stage of the interview.

Confidentiality
Your responses in the interview will be strictly confidential. Your personal information will be coded as interviewee A, B, or C and your company will also be coded. In this way, your anonymity is guaranteed. No individual will be identifiable upon publication of the data.

Storage of data
Storage of the data collected will adhere to the University regulations and kept on University premises in a locked cupboard/filing cabinet for 5 years.

Use of data for other purposes
If your anonymous data is used for other purposes (such as a journal paper or conference paper), because it is anonymous data, nobody will be identified in any way.

Results
If you would like to be informed of the aggregate research finding, please contact **Dr Susan Freeman** on **+61 3 9903 2674** or **Dan Wang** on **+61 3 9903 1395,** or fax **+61 3 9903 2718**, or e-mail: **Dan.Wang@buseco.monash.edu.au**

If you would like to contact the **researchers** about any aspect of this study, please contact the Chief Investigator:	If you have a **complaint** concerning the manner in which this research **<insert your project number here>** is being conducted, please contact:
Dr Susan Freeman Department of Management Faculty of Business and Economics Monash University Caulfield East, VIC 3145 Tel: +61 3 9903 2674 Fax: +61 3 9903 2718 Email: Susan.Freeman@buseco.monash.edu.au	Executive Officer, Human Research Ethics Standing Committee on Ethics in Research Involving Humans (SCERH) Building 3e Room 111 Research Office Monash University VIC 3800 Tel: +61 3 9905 2052 Fax: +61 3 9905 1420 Email: scerh@adm.monash.edu.au

Appendix D: Interview Protocol for Chinese Expatriate Managers

Interview Questions	
Background questions	1. Could you please tell me your age range?
	2. In which country are you currently working?
	3. How long have you been on the current international assignment?
	4. Could you please tell me the background of your company? (State-owned or privately owned? Industry?)
	5. Could you please briefly describe your job role?
	6. Which languages do you speak?
Main questions	7. What are the occasions on the current international assignment that you need to interact or supervise organizational members from local cultural backgrounds?
	8. Have you experienced any difficulties while working with people from the local cultural backgrounds?
	9. What are those difficulties? Could you please provide examples?
	10. What are the personality traits that you think will make you cross-culturally competent while working on the current international assignment? Why? Examples?
	11. Under what situations will those traits have positive or negative effects on CCC? Examples?
	12. Do you have any prior international experience before the current assignment (i.e., work or education experiences)? What are the effects of those experiences on your current assignment?
	13. Do you think local language proficiency is important on the current assignment? Why?
	14. What abilities/skills do you think are very important while working on international assignments? Why? Examples?
	15. Under what situations will those skills have positive or negative effects on CCC?

16. Have you experienced any difficulties in working in a different political and legislative environment? What are these difficulties?

17. What difficulties have you experienced while adjusting to the life in the host country?

18. Are there any additional comments in respect to what assists you to perform an effective job on international assignments?

Appendix E: Interview Protocol for Foreign Colleagues

	Interview Questions
Background questions	1. Could you please tell me your age range?
	2. Could you please tell me your country of origin?
	3. Could you please tell me the background of your company? (State-owned or privately owned? Industry?)
	4. Could you please briefly describe your job role in the company?
	5. How long have you been working with Chinese expatriate managers?
	6. Which languages do you speak?
Main questions	7. What are the occasions that you need to interact with Chinese expatriate managers?
	8. Have you experienced any difficulties while working with Chinese expatriate managers? What are those difficulties?
	9. What personality traits do you think are important for Chinese expatriate managers to be cross-culturally competent? Why? Examples?
	10. Under what situations will these traits have positive or negative effects on CCC?
	11. What is the importance of local language proficiency on the development of CCC? Why? Examples?
	12. What are the important abilities/skills that you think will contribute to CCC of Chinese expatriate managers? Why? Examples?
	13. Under what situations will those skills have positive or negative effects on CCC? Why? Examples?
	14. What competencies do you think Chinese expatriate managers have while working on international assignments?
	15. Are there any additional comments in respect to what assists Chinese expatriates to perform an effective job on international assignments?

Appendix F: Interview Protocol for Other Related People

<table>
<tr><th colspan="2" align="center">Interview Questions</th></tr>
<tr>
<td rowspan="3">Background questions</td>
<td>1. Could you please tell me your age range?</td>
</tr>
<tr>
<td>2. Could you please tell me the background of your company? (State-owned or privately owned? Industry?)</td>
</tr>
<tr>
<td>3. Could you please briefly describe your job role?</td>
</tr>
<tr>
<td rowspan="11">Main questions</td>
<td>4. What are the occasions that you need to interact with Chinese expatriate managers from Chinese MNEs?</td>
</tr>
<tr>
<td>5. What are the personality traits that you think will make Chinese expatriates cross-culturally competent on the international assignments? Why? Examples?</td>
</tr>
<tr>
<td>6. Under what situations will these traits have positive or negative effects on CCC? Examples?</td>
</tr>
<tr>
<td>7. Do you think prior international experiences of expatriates will help them on the current assignment? Why?</td>
</tr>
<tr>
<td>8. What about the importance of local language proficiency on for the development of CCC?</td>
</tr>
<tr>
<td>9. What abilities/skills do you think are important for Chinese expatriate managers to be cross-culturally competent? Why? Examples?</td>
</tr>
<tr>
<td>10. Under what situations will those skills have positive or negative effects on CCC? Why? Examples?</td>
</tr>
<tr>
<td>11. What are the major difficulties for Chinese expatriate managers to successfully manage cross-culturally?</td>
</tr>
<tr>
<td>12. Have Chinese expatriate managers experienced any difficulties while working in a different political and legislative environment? What are those difficulties?</td>
</tr>
<tr>
<td>13. What difficulties have they experienced while adjusting to the life in the host country?</td>
</tr>
<tr>
<td>14. Are there any additional comments in respect to what assists Chinese expatriate managers to do an effective job on international assignments?</td>
</tr>
</table>

Appendix G: Chinese Translation of Interview Questions for (1) Expatriate Managers and (2) Expatriate Supervisors or Cross-cultural Consultants

(1) 对中国外派管理者的采访问题

背景问题：

1. 您的年龄段是？

2. 您现在在哪个国家工作？

3. 您在当前这个外派任务上工作多长时间了？

4. 总公司在你们分市场的主要业务？

5. 您在当前这个外派任务中的管理职责是？

6. 在此外派任务以前，您有过在海外工作的经历吗？您有海外求学的经历吗？在中国有没有跟外国人在一起工作的经历？

7. 您会说哪几种语言？

主体问题:

1. 在此次外派任务中，您需要与当地员工接触吗？在何种情况下你需要管理当地员工？

2. 和外国员工一起工作与和中国人一起工作是不同的。在和当地员工一起工作的过程中，您是否遇到过困难？遇到过哪些困难？需要注意哪些问题？

3. 您认为您的哪些性格能帮助您在外派任务中取得成功？（性格指那些与生俱来的品质，比如认真负责性，外向性，稳定性，易于接受新事物等，性格和您从后天经验和经历中发展起来的能力还是有区别的）

4. 能不能具体举例说明这些性格在何种情况下能影响您的跨文化竞争力？是积极影响还是消极影响？为什么？

5. 您刚才说了您的个人经历。这些经历对您的跨文化竞争力有何帮助？

6. 您觉得该语言的精通程度对您在海外的工作有何影响？

7. 刚才我们聊到了您的性格。除了性格以外，个人能力也非常重要。您认为哪些能力对在海外工作的人来说非常重要？（主要是指您在海外工作的<u>过程中</u>学习，发展起来的能力）

8. 除了我们刚才聊得这些和员工在一起工作有时会遇到困难，您在工作的其他方面有没有遇到什么困难？

9. 您觉得您对当地的生活适应吗？吃的怎么样？住的地方呢？交通方便吗？

10. 您在那边的交友圈怎么样？和当地人除了工作以外有其他社交活动吗？

11. 在一个完全不同的政治体制和立法机制环境下工作，您是否遇到过困难？遇到过哪些困难？

12. 对于如何在外派任务中有效地完成自己的工作，您还有其他需要补充说明的吗？

谢谢您的参与！

(2) 对外派人员主管和跨文化咨询师的采访问题

背景问题：
1. 您的年龄段是？
2. 您能简要介绍一下您公司的背景吗? (公司所在行业，主营业务等)
3. 您能简要介绍一下您的工作职责吗？

主体问题：
4. 您跟中国外派管理者接触多长时间了？在何种情况下与他们接触？
5. 您认为中国外派管理者的哪些个人性格可以促进他们跨文化竞争力的发展？为什么？
6. 能否举例说明在何种情况下您所说的性格能影响跨文化竞争力的发展？是积极影响还是消极影响？
7. 您觉得之前在海外工作的经验会对此次海外项目有帮助吗？为什么？
8. 当地语言能力对外派人员来说重要吗？为什么？

9. 哪些个人能力/技能对中国外派管理者来说很重要？为什么？能否举例说明？

10. 您所提到的个人能力在何种情况下对跨文化竞争力有积极影响？何时有消极影响？

11. 您认为中国外派管理者在和当地员工一起工作时遇到的主要困难是哪些？

12. 您认为中国外派人员在一个完全不同的政治和立法机制的环境下工作，会遇到哪些困难？

13. 您认为中国外派人员在适应当地生活的过程中会遇到哪些困难？（比如交友圈，衣食住行等）

14. 对于外派人员如何在外派任务中有效地完成自己的工作，您还有其他需要补充说明的吗？

Appendix H: Consent Form

**Title: An Integrated Approach to Examining Cross-cultural competence:
Empirical Evidence of Expatriates from Chinese MNEs**

I agree to take part in the Monash University research project specified above. I have had the project explained to me, and I have read the Explanatory Statement, which I keep for my records. I understand that agreeing to take part means that:

I agree to participate in the interviews about the cross-cultural competence of Chinese expatriate managers.

I understand that my participation is voluntary, that I can choose not to participate in part or all of the project, and that I can withdraw at any stage of the project without being penalised or disadvantaged in any way.

I understand that any data that the researcher extracts from the survey for use in reports or published findings will not, under any circumstances, contain names or identifying characteristics.

I understand that any information I provide is confidential, and that no information that could lead to the identification of any individual will be disclosed in any reports on the project, or to any other party.

I understand that data from the **interviews** will be kept in a secure storage and accessible to the research team. I also understand that the data will be destroyed after a 5 year period unless I consent to it being used in future research.

Participant's name

Signature

Date